CK BIRLA GROUP | HIL

20th July, 2017

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

Dear Sir/Madam,

Sub: Annual Report for the Year 2016-17
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

With reference to the subject, and as per the requirement of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), kindly find enclosed 70TH Annual Report for the year 2016-17.

Kindly take the same on record and do the needful.

Thanking you
For HIL LIMITED

G. Manikandan
Company Secretary
& Financial Controller

CK BIRLA GROUP

HIL

Resolved
to outperform



CELEBRATING 70 YEARS

ANNUAL REPORT

2016-17

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2016-17 at a glance



10,535.87	1,264.40	734.26
Revenue from operations	Operating EBIDTA	Profit before tax
545.65	1053.70	7904.67
Profit after tax	Cash flow from operations	Gross block

*All figures in ₹ in million

Revenue from operations
(₹ in million)

(3.9)% Y-o-Y

FY17	10,535.87
FY16	10,962.77
FY15	11,077.91
FY14	8,694.74

Operating EBIDTA
(₹ in million)

13.17% Y-o-Y

FY17	1,264.40
FY16	1,117.24
FY15	1,350.73
FY14	523.92

Profit before tax
(₹ in million)

22.27% Y-o-Y

FY17	734.26
FY16	600.50
FY15	919.54
FY14	98.88

Profit after tax
(₹ in million)

37.56% Y-o-Y

FY17	545.65
FY16	396.62
FY15	668.57
FY14	71.32



It is said that contentment is the enemy of excellence. We agree.

This year, our performances have been at par with our expectations. Our numbers have made our shareholders happy. We built a business model that'll be resilient enough to propel us ahead. Reasons enough to sit back and revel at our good work.

Instead, we are gearing up with a stronger drive to go that extra mile. We're adding fuel to our strategies, technologies and inspiring our people to keep aiming at bigger horizons. And we are resolved to outperform ourselves and set a benchmark worth striving for.

Because, it's not complacency but the relentless pursuit of larger successes that makes a true leader.



1st

Ranked in the domestic Building Material Industry

5835

Market Cap (₹ in million) as on March 31, 2017

Pioneer

To introduce certified green building products in India



Who we are

Established in 1946, HIL Limited is among the country's largest and most respected companies in the Building Material Industry for the last seven decades. The CK Birla Group is a growing US $1.6 billion conglomerate that has a history of enduring relationships with renowned global companies.

With over 3,950 employees, 20 manufacturing facilities, HIL is today a leader in the domestic Fibre Cement industry selling under its iconic brand 'Charminar'. Over the years, the Company has expanded its business verticals and product portfolio to emerge as a trusted building material solutions company in India. Our brand Aerocon is also a leader in the Green Building Product space. In line with our evolving strategies we are proud to inform that **Aerocon will be now Birla Aerocon**.

Vision

To sustain our domestic market leadership position and become a global provider of building products and solutions, with a commitment to support Green Building & Habitats by supplying environment-friendly products, and following green and safe practices.

Mission

- To enhance long-term shareholder value
- To make environmental friendly products that exceed customer expectations
- To establish a corporate culture that drives engagement, learning, teamwork, adaptability, improvement and innovation
- To meet high standards in corporate social responsibility, safety, health and environmental practices

Values

- Moral & Ethical Principles
- Care & Respect
- Apolitical & Non- Bureaucratic
- Responsibility & Accountability
- Fair & Transparent
- Integrity & Trust

Our business overview

Headquartered in Hyderabad, our 20 manufacturing facilities are spread across various states with a wide distribution network supported by our 59 depots and 8 sales offices. Our industry-focused business verticals, wide product portfolio and state-of-the-art machinery has helped us emerge as a preferred player in the building material solutions industry in India.



Roofing Solutions

Brand	Products	Capacity/Annum	Manufacturing plants
CHARMINAR	Fibre Cement Sheets	11.5 Lacs MT	7
	Coloured Steel Sheets	27,600 MT	2



Building Solutions

Brand	Products	Capacity/Annum	Manufacturing plants
BIRLA AEROCON	Solid Wall Panels	78,000 MT	2
	Fly-Ash Bricks (AAC)	8.25 lacs CuM	4
	FOB & C-Boards	54,000 MT	1
	Dry Mix	72,000 MT	1
	Pipes & Fittings	7,555 MT	2

Calcium Silicate Insulation

Thermal Insulation

Brand	Products	Capacity/Annum	Manufacturing plants
HYSIL Calcium Silicate Insulation	Insulation for energy-intensive industries	4,800 MT	1

Wind Power

Renewable Energy

No of Turbines	Products	Capacity	Manufacturing plants
6	Captive consumption/ Sale to State Electricity Board	9.35 MW	Gujarat, Tamil Nadu and Rajasthan

Our presence



Sales Offices

Bangalore
Chennai
Delhi
Hyderabad
Kolkata
Mumbai
Noida
Raipur

Manufacturing Plants

Balasore - AC Sheets
Faridabad - AC Sheets
Jasidih - AC Sheets
Kondapalli - AC Sheets
Satharia - AC Sheets
Thrissur - AC Sheets
Wada - AC Sheets
Balasore - CC Steel Sheets
Wada - CC Steel Sheets
Jhajjar - Fly-Ash Bricks (AAC)
Chennai - Fly-Ash Bricks (AAC)
Golan - Fly-Ash Bricks (AAC)
Timmapur- Fly-Ash Bricks (AAC)
Faridabad - Solid Wall Panels
Timmapur - Solid Wall Panels
Faridabad - Pipes & Fittings
Timmapur- Pipes & Fittings
Hyderabad -FOB & C-Board
Jhajjar - Dry-Mix
Dharuhera - Hysil



Mr. CK Birla
Chairman

Chairman's communique

Dear Shareholders,

HIL has completed 70 glorious years on 6th June, 2017. This marks an important milestone in the journey of HIL as also for the CK Birla Group. Over the years, the company has shown commendable resilience by continuously challenging the status quo and reinventing itself in order to meet the dynamic requirements of the Indian industry. HIL continues to be a leading player and a trendsetter in the Building Materials Industry in India.

HIL has completed yet another successful fiscal 2016-17, with sustainable profitability and revenues. Owing to the extraordinary trust displayed by our customers and our dependable retail network, IBC INFOMEDIA recognized HIL with the title of 'Asia's Most Trusted Building Material Company' for 2016. Our brands Charminar and Aerocon have yet again been recognized as Consumer Superbrands for the year 2016-17.

Our determination and passion aptly backed by committed manpower and strong corporate governance remains the driving force to take HIL ahead. India is one of the world's fastest growing economies and the next few years will definitely see renewed growth in the rural and semi-urban parts of the country. We believe there is considerable potential for growth across our business verticals. To meet the evolving customer needs, our focus will remain on innovation and proactive efforts in order to enhance value for our shareholders as well as make positive contributions towards the society at large.

We thank all our stakeholders for their continued trust in HIL.

Our determination and passion aptly backed by committed manpower and strong corporate governance remains the driving force to take HIL ahead.


Dhirup Roy Choudhary
Managing Director & CEO

Message from the MD & CEO

Dear Friends,

It is indeed a privilege to be at the helm of an organization with a history as magnificent as HIL's. This year, we celebrate our 70th Anniversary, which also signifies the remarkable transformation that the Company has gone through since its inception. Beginning as a small-scale Fibre Cement Sheet manufacturer, HIL has grown into a market leader in the Indian Building Material Industry. Backed by outstanding leadership and an innovative spirit, we have pioneered green building products in India. Our product portfolio has diversified into the Pipes and Fittings category. By leveraging our vast dealer and marketing network, we are confident of capitalizing on a 2x growth goal in the coming years.

The year gone by has tested our resilience with various global and domestic impediments. Yet we have emerged victorious with a bottomline growth of 37.57% and registered a healthy EBIDTA margin of 12%. We were recognized as 'Asia's Most Trusted Building Material Company' for 2016 by IBC INFOMEDIA (A Division of International Brand Consulting Corporation, New Jersey, USA). Our brands Charminar and Aerocon have been honoured as Consumer Superbrands. Also, in line with our evolving business strategies, we are rebranding 'Aerocon' as 'Birla Aerocon' from July 2017 onwards. Backed by our proactive investments in building capacities, expanding product lines, penetrating markets and strong dealer network, we have forged an irrefutable market leadership through the decades and shall strive to sustain our dominance. Our efforts in creating awareness about the importance of green building products have helped us further increase the market for the segment. As a result, we are the market leaders in Fibre Cement Sheets, Solid Wall panels, and Fly-Ash Bricks (AAC).

Being in a business monitored closely by environment regulators, it is of paramount importance to adhere to the safety and security rules for our employees and customers. We've been diligently abiding by these requirements, by observing top level standards such as ISO 9001:2008 Quality Management System, ISO 10002:2004 Customer Satisfaction Management System, ISO 14001:2004 Environmental Management System, OHSAS 18001:2007 Occupational Health and Safety Management System. Such stringent vigilance has resulted in a safe and secure environment in all our Fibre Cement Sheet business with an impeccable health status and not a single hazardous incident in the last seven decades. Overall, HIL's Occupational Health and Safety Directives have been updated inline with the industry's constantly evolving policies and procedures on health and safety.

HIL has always been driven by determined corporate governance, which has enabled us to accomplish our goals and create value for our stakeholders all through the past 7 decades. Going ahead, we expect to continue to deliver healthy growth across our diverse businesses by being true to our beliefs and principles. I am confident of HIL's continued status as the leader in the Building Material Industry in India and of upholding the trust of our customers, shareholders and partners along with sustaining the long-term commitment of our employees. On behalf of the Board, I would like thank every member of my HIL team and our Stakeholders for their efforts, contributions and we look forward to 'outperform' in the coming years.

Also, in line with our evolving business strategies, we are rebranding 'Aerocon' as 'Birla Aerocon' from July 2017 onwards.

A glance back at the milestones

1946-47

Incorporation of the Company.

1949-50

First Plant for manufacturing AC Sheets at Hyderabad, Telangana.

1959-60

Second Plant for manufacturing AC Sheets at Hyderabad, Telangana.

1963-64

New factory at Faridabad, Haryana for manufacturing AC Sheets.

1964-65

Started Engineering Division at Hyderabad, Telangana

1965-66

Third Plant for manufacturing AC Sheets at Hyderabad, Telangana.

1975-76

Establishment of Research & Development at Hyderabad, Telangana.

1978-79

Commencement of Production of Moulded Thermal Insulation Articles and Jointing Products at Faridabad, Haryana.

1979-80

New plant at Jasidih, Jharkhand to manufacture AC Sheets.

1985-86

Change of name from Hyderabad Asbestos Cement Products Limited to 'Hyderabad Industry Limited'.

1986-87

(a) Commencement of production of AC Sheets by Malabar Building Products Limited, a joint sector company with Kerala State Ind. Dev. Corpn. at Thiruvanthapuram.

(b) Trial production of Thermal Insulation products (Refractories) at a new plant in Dharuhera, Haryana.

1988-89

Commencement of manufacture of Size Reduction Equipment at Engineering Division Hyderabad, Telangana with technical know-how from Siebtechnik Gmbh, Germany.

1991-92

Heavy Engineering Division Including Steel Foundry of Hindustan Motors Limited Transferred to the Company under a Scheme of arrangement.

1992-93

Technical Collaboration Agreement with Mannesmann Demag Baumaschinen.

1995-96

(a) Cement Grindling Unit set up at Jasidih, Jharkhand.

(b) Prefabricated building panels, based on technology from M/s Building Technologies (Australia) Pvt. Ltd, Australia was produced at a pilot plant.

1997-98

Commenced Commercial production of Aerocon Panels at Thimmapur, Telangana and Faridabad, Haryana.

1998-99

Commenced commercial production of Fibre Cement sheets at Kondapalli, Andhra Pradesh.

1999-00

Commenced commercial production of Autoclaved Aerated Concrete Blocks at Chennai, Tamil Nadu.

2000-01

(a) Commenced commercial production of AC sheets at Wada, Maharashtra.

(b) Aerocon Panels, developed by Company's R&D Centre, received DSIR National Award for R&D Efforts in Industry (2000) in the Area of New Materials from Government of India, Ministry of Science & Technology Department of Scientific and Industrial Research.

(c) Company obtained patent for Aerocon Panels in India & Pakistan.

2001-02

(a) Company's R&D Centre received recognition from The Department of Scientific and Industrial Research Government of India.

(b) Company obtained patent for Aerocon Panels in UK and Apparatus for producing Plurality of Panels.

2002-03

(a) Company obtained patent for Aerocon Panels in Australia.

(b) Government of Andhra Pradesh conferred "Best Managed Unit" Award on the Kondapalli Unit, Andhra Pradesh.

2003-04

Company disinvested 40,59,600 Equity Shares in Hindustan Powerplus Limited aggregating to ₹1299.07 lacs

2004-05

Turnover ₹400 cr

2005-06

(a) Amalgamation of Malabar Building Products Limited with the Company

(b) Fibre Sheets plant set up at Satharia Dist. Jaunpur UP.

2007-08

(a) The Company implemented SAP as a Enterprise Resource Planning (ERP).

(b) Gross Turnover crossed ₹500 cr.

2008-09

New fibre sheet plant set up at Balasore, Odisha commenced commercial production.

2009-10

New fibre sheet Line set up at Kondapalli, Andhra Pradesh commenced commercial production.

2010-11

(a) Commenced commercial production of Autoclaved Aerated Concrete (AAC) Blocks at Golan, Gujarat.

(b) Set-up wind Mill Projects at 3.6 MW at Kutch Dist. Gujarat.

2011-12

(a) Set-up 2 additional wind power projects 1.25 MW & 2.5 MW in Coimbatore, Tamil Nadu and Jodhpur, Rajasthan.

(b) TPM was initiated in all HIL manufacturing facilities.

(c) Rebrand exercise for the Brand Charminar and Aerocon undertaken.

2012-13

(a) Change of name from Hyderabad Industries Limited to HIL Limited.

(b) Company devised a "5-way green Strategy to be Introduced to the manufacturing process.

(c) Greenco gold rating award conferred by former President Dr. APJ Abdul Kalam for Aerocon.

(d) Turnover crosses ₹1000 cr

2013-14

(a) HIL won business SuperBrand status and Aerocon won the consumer SuperBrand status.

(b) Launched the first Aerocon Pipes & Fittings Plant at Faridabad, Haryana.

(c) Installation of solid fuel boiler resulting in 45% savings. Bio degradable fuel to ensure reduction in Carbon emission.

(d) Indira Award for excellence Brand Management & Product Innovation.

(e) Ethical Brand award conferred by CSR Word.

2014-15

(a) A new wind power plant of 2.0MW in Jaisalmer, Rajasthan.

(b) Relocated the registered office from Sanathnagar Hyderabad to Gachibowli Hyderabad.

(c) AAC block plant commissioned in Jhajjar, Haryana

(d) Aerocon Pipes and fittings Plant commissioned in Timmapur, Telangana to cater to South India market.

(e) Kondapalli and Dharuhera witnessed power trading resulting in reduction of power cost by 15%

(f) Consumer Superbrand Awards for Aerocon and Charminar.

2015-16

(a) Commenced CC Sheet Unit at Wada, Maharashtra and AAC Block Unit in Thimmapur, Telangana

(b) Applied for 2 patents – one for AC Sheets and one for Fly-Ash Bricks (AAC)

(c) Successfully re-implemented SAP

(d) Won the TPM category B certification for Kondapalli plant by JIPM making HIL the first in the industry to win this prestigious award

2016-17

(a) Commissioned CC sheet Unit at Balasore, Odisha and Dry-Mix Unit at Jhajjar, Haryana

(b) HIL won Asia's Most trusted Building Material Company by IBC Info Media

(c) Implemented state-of-the-art Human Resources Management System to manage and align employee data with strategic business goals

(d) Developed and launched a Dealer Information Management System (DIMS) to collect and manage data on the real-time integration across core functions such as finance, sales, customer loyalty and service.

Our strategy to create stakeholder value

At HIL, we strive to sustain market leadership with profitable growth year after year. We are determined to outperform by leveraging our core competencies.



People with global exposure

We at HIL care for our talent. We ensure a good work-place where everyone is treated equally and with respect. We constantly strive to inspire, empower and engage our team members helping put their best foot forward.

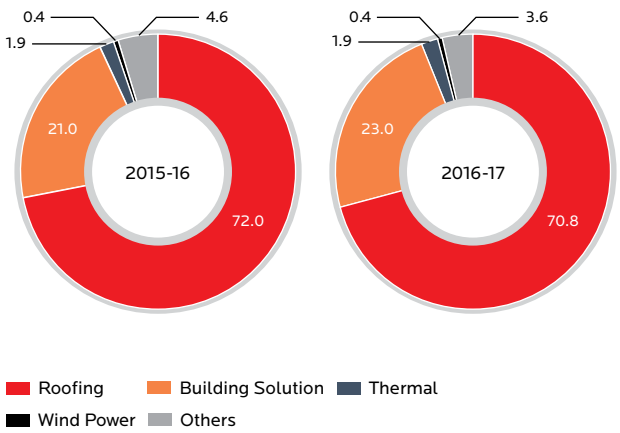
3950+

Employee base as on March 31, 2017

Diversified geographic presence

With 20 manufacturing plants located across India, our proximity to dealers and customers enables us to derive sustainable revenue. Our active dealer and retailer network currently stands at 4500+ as on March 31, 2017.

Revenue mix (%)



Operational excellence

Our average capacity utilisation levels have been satisfactory with a quick turnaround time for dispatch from factory-to-consumer. Efficient operational methods and process innovations yield higher margins and premium on products.

12%

EBIDTA margin as on March 31, 2017

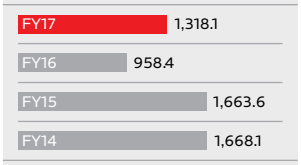
ZERO

Down-time / breakdown time at plants during 2016-17

Strong brand equity

Our roofing solution brand 'Charminar' and our Building Solutions brand 'Aerocon' enjoy a strong recall value among our customers. We have also made investments of more than ₹5,608.48 million on marketing and branding in last four years.

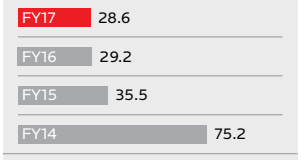
Investments in marketing and branding (₹ in million)



World-class Research & Development

Over the years we have continuously invested on R&D, upgrading our technologies across our manufacturing facilities. Sustained investments in technologies have allowed us to produce efficiently with greater productivity.

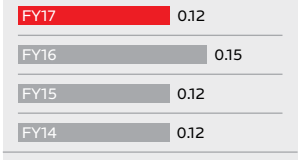
Investments in upgradation of technology (₹ in million)



Prudent financial management

Our debt-equity ratio stands at 0.12. In addition, our cash profit stands at ₹1,143 million with interest coverage at 24 times representing fiscal comfort. Entire CAPEX has been funded through internal accruals during the past 5 years.

Debt-Equity ratio



Corporate Governance

HIL is committed to the highest standards of corporate Governance and practices, which ensures accountability, fairness and transparency to meet its stakeholder's aspiration, societal expectations and a healthy growth. Our foundation lays on strong corporate governance systems, policies and framework, which enables the Board and management to achieve the goals and objectives effectively for the benefit of the company and its stakeholders.

Our business drivers



Human capital

In a competitive business landscape like ours, business leadership can be achieved with a competent cohesive workforce adapting to changing business requirements.

At HIL, our HR practices enhance our human capital and are instrumental in motivating them. All our HR functions are monitored periodically to assess the performance and growth of employees.

MyHR Connect – a digital platform

We launched 'MyHR Connect' portal to transform the role of HR into a strategic rather than a transactional role. Some of the key modules of the portal are:

- HR Core Foundation – HR Master Data Creation, Employee Basic Information
- Organisation Management - Organisational Structure
- Employee Life Cycle - Employee Record Creation, Onboarding, Confirmation, Movements & Separation modules
- Performance Management System – Goal setting, Mid-year review and Final year review
- Leave Management System -Time & Attendance.
- Mobile App and Dashboards



Research & Development

Adding value to the existing products and continuously striving to develop new products is critical to our business sustainability. At HIL, we adopt process innovations and research on industry changing dynamics to stay ahead of competitors.

Our dedicated R&D facility was the first in industry, set up in 1964. We work tirelessly to develop and improve various raw material compositions to improve existing products, as well as develop new products.

Key achievements

- Filed its first patent in the Roofing Industry in 1993
- First to introduce fly-ash along with cement in the fabrication of Charminar AC Sheets in 1995
- In-house innovation for improving AC sheets, FOB, C-Board and Fly-Ash Bricks (AAC)
- First to introduce Cement Solid Wall panels in India



Engineering Division

Engineering Division has played an important role in HIL's evolution. It is equipped with a full-fledged design office and a manufacturing facility comprising of a heavy duty fabrication shop, a state of the art machine tools section along with a totally modern assembly shop under the watchful eyes of a stringent quality control department. As a result, HIL today boasts of being a leading system integrator for special purpose machines and Building Material Provider in India.

HIL is also one of the leading Sheeting Machine Maker in the world. HIL's sheeting machines have been exported to 22 countries across the world. Best of all, our competitors in the sheeting business also use our machinery. HIL Engineering division has developed a number of path-breaking machines in the Fibre Cement and lightweight pre-fabricated panels industry.

Laurels of success

The Company was bestowed with the title of 'Asia's Most Trusted Building Material Company' for 2016 by IBC INFOMEDIA (A Division of International Brand Consulting Corporation, New Jersey, USA). This Award is distinctive recognition for a brand recognised as, 'MOST TRUSTED' in its industry category based on current year market standing. Its evaluation process is based on a Asia wide quantitative qualified consumer survey, expert analysis and attributes based qualitative brand research.

The Company's Faridabad Plant for Pipes and Fitting won the 'The Machinery Super Shopfloor 2016' Award in the Technology Adoption category for Innovation Sponsored by the Times of India Group to recognise and celebrate excellence achieved by Indian shop Floors in the Manufacturing Sector.

The National Awards for Manufacturing Competitiveness (NAMC) was instituted by International Research Institute for Manufacturing (IRIM) with the aim of acknowledging and applauding manufacturing competitiveness of Indian Organisations awarded the company's Satharia Plant for Roofing with the NAMC Gold Award.



HIL team receiving the Asia's Most Trusted Brand Award at Bangkok



HIL team receiving the The Machinery Super Shopfloor 2016 at Pune



HIL Satharia plant won the NAMC Gold Award at Chennai

Putting humanity first

Everyday, we touch lives of millions of people in India through our business model. Beyond business, we are laser focused towards our social responsibility. We believe sharing knowledge and giving back to the society as our duty towards making a positive impact to the lives we touch.



16

Spent (₹ in million) in 2016-17 for CSR activities







During the year under review, we assisted people across several initiatives like education, rural empowerment, old age homes, environment protection and poverty alleviation among others. Our activities included:

- Providing primary education to children of weaker section
- Development of government primary and high school
- Building construction for NGOs
- Drinking water facilities for government schools
- Assisting students with mobile library in remote villages
- Eradicating malnutrition in tribal villages
- Building infrastructure facilities for handicapped children
- Sponsoring sports events in rural towns
- Assisting people affected with natural disasters

CK BIRLA GROUP

Corporate information

Board of Directors

Mr. CK Birla	Chairman
Mr. Dhirup Roy Choudhary	Managing Director & CEO
Mr. Desh Deepak Khetrapal	Non-Executive Director
Mrs. Gauri Rasgotra	Independent Director
Mr. P Vaman Rao	Independent Director
Mr. Yash Paul	Independent Director
Mr. KR Veerappan	Chief Financial Officer
Mr. G Manikandan	Company Secretary & Financial Controller

Bankers

State Bank of India
HDFC Bank
The Hongkong and Shanghai Banking Corporation Limited

Statutory Auditors

S R Batliboi & Associates, LLP

Solicitors

Khaitan & Company

Registered Office Address

Office 1 & 2, 7th Floor, SLN Terminus, Near Botanical Garden, Gachibowli,
Hyderabad-500032, Telangana, India
www.hil.in

Corporate Identification Number: L74999TG1955PLC000656

Directors' report

TO THE SHAREHOLDERS

Your Directors take pride in congratulating all the stakeholders on completion of seven decades in the Building Material Industry since its incorporation. These seven decades have enabled your Company to become market leader in the Building Material Segment. **Charminar** and **Aerocon** are among the most trusted brands in the industry.

Your Directors take pleasure in presenting their Report and the Audited Financial Statements of your Company for the year ended 31st March, 2017.

Financial Results

(₹ In lacs)

	2016-17	2015-16
Net Revenue from operations	105359	109628
Earnings Before Interest, Depreciation & Tax	12644	11172
Less : Interest	518	917
Depreciation	4095	3974
Profit Before Tax and Exceptional items	8031	6281
Less: Exceptional items	688	276
Profit before Tax	7343	6005
Less : Taxes	1886	2039
Profit for the year	5456	3966
Surplus in P&L account as per previous year	7018	5624
Available for Appropriation	**12474**	**9590**
Transfer to General Reserve	1000	1000
Interim Dividend on Equity Shares	746	560
Proposed Final Dividend on Equity Shares*	-	746
Corporate Dividend Tax*	152	266
Balance Carried to Balance Sheet	**10577**	**7018**

*Refer to note 2(a)(ii) in notes to financial statement, with regard to treatment of final dividend for the year 2016-17.

Financial Position

The net worth as at 31st March, 2017 improved to ₹501 cr [without considering final dividend and tax thereon aggregating to ₹9 cr, if considered the net worth of the Company would be ₹492 cr] as against ₹460 cr [after considering final dividend and tax thereon aggregating to ₹9 cr] reported in previous year. There is no long term interest bearing debt as on 31st March, 2017. ICRA rated the Company's long term bank loan facilities at "ICRA A+/Stable" and the short term bank facilities at "ICRA A1+".

During the year under review, the gross fixed assets including capital work in progress increased by ₹33.92 cr (net of deletions of ₹3.04 cr). The entire additions were funded through internal accruals. The earnings per share for the financial year 2016-17 grew by 38% at ₹73.12 as against ₹53.15 for the previous financial year, while the book value per share as at 31st March, 2017 was at ₹672 as against ₹617 as on 31st March, 2016.

Dividend

During the year under review, the Board of Directors declared an interim dividend of ₹10.00 per equity share (100% of the paid-up value). Your Directors are pleased to recommend a final dividend of ₹10.00 per equity share (100% of the paid-up value) for your consideration and approval at the ensuing Annual General Meeting of the Company.

With the proposed final dividend, the total dividend for the year 2016-17 would be ₹20.00 per equity share (200% of the paid-up value) as against the total dividend of ₹17.50 per equity share (175% of the paid-up value) declared in the previous year.

The total dividend outgo would amount to ₹17.96 cr (Including Corporate dividend tax), a payout of 33% of the profit after tax of the Company for the financial year 2016-17 and the Company has transferred ₹10.00 cr to General Reserves out of the profits for the year.

Share Capital

The paid up Equity Share Capital as on 31st March, 2017 was ₹7.49 cr. During the year under review, the Company has neither issued any shares with differential voting rights nor sweat equity. As on 31st March, 2017, Mr. CK Birla, Chairman holds 51,376 equity shares of the Company. None of the Directors of the Company, except as specified above, hold shares or convertible instruments in the Company.

Listing with Stock Exchanges

The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The annual listing fees for the financial year 2017-2018 have been paid to these exchanges.

Particulars of Loans, Guarantees or Investments

Particulars of Loans, Guarantees and Investments as required under the provisions of Section 186 of the Companies Act, 2013 are provided in note no. 11A to the Financial Statements.

Deposits

The Company has not accepted any deposits covered under chapter V of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as on 31st March, 2017.

State of Company's Affair

In the year 2016-17, the Company has reported net revenue of ₹1054 cr as compared to ₹1096 cr in the previous year and profit before tax for the year under review stood at ₹73.43 cr as compared to ₹60.05 cr in the previous year registering a growth of 22%. The operating profit (earnings before depreciation, interest, tax and amortisation-EBITDA) for the year stood at ₹126 cr as against ₹112 cr in the previous year, representing 12% of net revenue.

As a result of various external factors like weak monsoon in certain parts of the Country followed by demonetisation in third quarter, the industry as a whole declined. Your Company's focused approach with unique strategy adopted for each business division, helped to improve the profitability despite a minor decline in revenue by 4%.

Roofing

Your Company continue to enjoy its leadership position and trust in the roofing industry, which helped the business to sustain its market share despite tough market conditions. Your Company's customer centric approach, focus on high potential geographies, marketing initiatives, cost optimisation and superior quality than its peers helped to overcome most of the challenges faced by the industry. Some parts of the Country witnessed poor demand due to migration to alternate products which affected the demand for Fibre Cement Sheets. The new product "**Coloured Steel Sheets**" introduced by the Company in 2015-16 stabilised during the year under review. In order to capture the growing demand for Coloured Steel Sheets in the eastern part of the Country, your Company expanded its manufacturing footprint by setting-up a manufacturing unit in Odisha to carter to the region.

Overall, the Roofing business ended the year with a decline of 10% in quantity terms as compared to industry de-growth of 8%.

Building Solutions

Your Company positioned itself as a complete solution provider in Building materials category. Building Solution business broadly classifies into Wet-Walling and Dry-Walling Solutions.

Wet-Walling Solutions

Under Wet-Walling category, Fly-Ash Bricks (AAC), an eco-friendly building material used in construction activities, commands the confidence of the builders with its superior strength over the traditional bricks.

Other products in this category includes "**Smart fix**", "**Smart putty**" and "**Smart plaster**". All Products together offers a complete range of solutions to the stakeholders in the Building Material industry.

Fly-Ash Bricks (AAC) with its superior quality and latest technology driven manufacturing processes, has achieved a growth of 13% in quantity terms, and as a solution model the revenue from this category grew by 20% over previous year on a higher base, making us the market leader in this category.

Dry-Walling Solutions

Dry-Walling category consists of "**Aerocon Panels**", "**Aerocon Boards**" and "**Smart bond**". Panels & Boards continue to be the preferred choice of the Architects and designers. With detailed market study, planned approach, well-planned marketing activities and focus on quality, the Company has increased its sales volume and revenue by 10% during the year under review as compared to previous year. Your Company continues to remain market leader in this category.

Your Company will continue to focus on Tier 2 & Tier 3 cities, which are promising due to increase in infrastructure projects and real estate activity. Unique concept selling approach differentiates **AEROCON** from other players in the industry, supported by the brand promotion activities.

Pipes and Fittings

During the year under review, Pipes and Fittings division de-grew by 16% in revenue terms due to tough market conditions, volatile resin prices and absence of complete range of product categories with the Company. With a sustained brand building exercise and strong marketing initiatives, **Aerocon Pipes & Fittings** is one of the preferred choices of the customers in NCR, Telangana and Andhra Pradesh.

The demand for these products looks promising and your company believes that this division will drive the future growth by expanding its market reach, increase in SKU's and product range coupled with strong brand building initiatives.

Thermal Insulation – HYSIL

The Thermal Insulation division has reported a decline of 2% in revenue terms and the key driver for volume growth in this vertical will come from capacity building in the form of brown field or new green field projects.

New Projects

Coloured Steel Sheets: In order to cater to the demands of urban customers, your Company has set up its second plant for manufacture of Coloured Steel Sheets at Odisha, with a capacity of 1500 MT per month. The said plant started its commercial operations on 30th March, 2017. This plant shall cater to the requirements of Odisha, Jharkhand and West Bengal markets. These sheets are being sold under the brand name "**Charminar**", which will help the Company to expand its customer base in developing towns / cities.

Awards

Your Company was bestowed with the title of "**Asia's Most Trusted Building Material Company**" for 2016 by IBC INFOMEDIA (A Division of International Brand Consulting Corporation, New Jersey, USA). This award is distinctive recognition for a brand renowned as, "MOST TRUSTED" in building industry category based on current year market standing.

The Company's Pipes and Fittings plant at Faridabad won the "**The Machinery Super Shop floor 2016**" award in the Technology Adoption category for Innovation sponsored by the Times of India Group to recognise and celebrate excellence achieved by indian shop floors in the Manufacturing Sector.

The Roofing Plant at Faridabad has also been awarded the **NAMC Silver Award**, following the footsteps of Sathariya Plant which won the Gold previous year and Balasore Plant that won the Silver, the year before last. The National Awards for Manufacturing Competitiveness (NAMC) was instituted by International Research Institute for Manufacturing (IRIM) with the aim of acknowledging and applauding manufacturing competitiveness of Indian Organisations.

With the Faridabad Plant wining NAMC silver award, three out of seven sheeting plants of your Company have won this prestigious award.

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

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, Mr. P Vaman Rao (DIN: 00069771), Mr. Yash Paul (DIN: 00580681) and Mrs. Gauri Rasgotra (DIN: 06862334), 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 Act and there has been no change in the circumstances which may affect their status as an Independent Director during the year.

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

Mr. Prashant Vishnu Vatkar (DIN 07139685) resigned as Managing Director & Director from the Board w.e.f 20th September, 2016 and the Board wishes to place on record its sincere appreciation for the valuable services rendered by Mr. Prashant Vishnu Vatkar during his tenure as Managing Director of the Company. In accordance with the provisions of Section 152, 196, 197, 198 and other applicable provisions Mr. Dhirup Roy Choudhary (DIN07707322) has been appointed as Additional Director, Managing Director and Key Managerial Personnel on the Board w.e.f 16th January, 2017, who hold office upto the date of the ensuing Annual General Meeting. Directors at their meeting held on 27th April, 2017 has re-designated Mr. Dhirup Roy Choudhary, Managing Director as Managing Director and Chief Executive Officer ("CEO") keeping the long term goals and vision of the Company.

The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Mr. Dhirup Roy Choudhary as Director and Managing Director & CEO. The resolutions seeking your approval for the appointment of Mr. Dhirup Roy Choudhary, as Director and Managing Director & CEO and Mr. Desh Deepak Khetrapal as Director are included in the notice of the ensuing Annual General Meeting.

For Directors seeking appointment/re-appointment in the ensuing Annual General Meeting of the Company the particulars as required to be disclosed in accordance with Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is provided in the notice of ensuing Annual General Meeting.

Pursuant to the provisions of Section 203 of the Act, Mr. Dhirup Roy Choudhary, Managing Director & CEO, Mr. KR Veerappan, Chief Financial Officer and Mr. G Manikandan, Company Secretary & Financial Controller are the Key Managerial Personnel of the Company.

Board & Committees

Board Meetings

During the year five 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.

Committees of the Board

Corporate Social Responsibility Committee (CSR)

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

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

The average net profits of the Company for the immediately preceding three financial years calculated as per Section 198 of the Companies Act, 2013 works out to ₹1.08 cr and the Company has spent ₹1.59 cr on CSR activities in the areas of healthcare, education and others.

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. The details of 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. 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, the Board has carried out an annual performance evaluation of its own performance, the Directors individually and the Committees of the Board.

A structured questionnaire was prepared after taking into consideration inputs received from Directors, covering aspects of the Board's functioning such as adequacy of the Composition of the Board and its Committees, execution and performance of specific duties, obligations and governance.

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

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

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 were given and explained to the new Director.

The newly appointed Director was also given induction, orientation with respect to Company's Vision, Core purpose, Core value and business operations. In addition, detailed presentations were made by the Senior Management Personnel on business environment and performance of the Company.

Extract of Annual Return

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

Directors' Responsibility Statement

Pursuant to the requirement of Section 134(3)(c) 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 31st March, 2017, all the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India have been followed.

ii) We have adopted such accounting policies, as selected in consultation with the Statutory Auditors, 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 31st March, 2017.

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 31st March, 2017 has been prepared on a going concern basis.

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

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

Corporate Governance

Your Company is committed to good Corporate Governance coupled with good corporate practices. The report on corporate governance for the year ended 31st March, 2017 pursuant to Regulation 34 of the SEBI (Listing Obligations

and Disclosure Requirements) Regulations 2015 is annexed herewith as **Annexure (IV)**. The Certificate from the Auditors of the Company M/s. S.R. Batliboi & Associates LLP., Chartered Accountants, [ICAI Firm Registration Number: 101049W/E300004] regarding compliance of conditions of Corporate Governance is attached to the report of Corporate Governance.

The Corporate Governance Report, inter-alia, contains the following disclosures:

1. Number of Board Meetings
2. Composition of Audit Committee
3. Composition of Corporate Social Responsibility Committee
4. Appointment & Remuneration Policy (for Directors, Key Managerial Personnel & Senior Management Personnel of the Company)
5. Performance Evaluation criteria of the Board, its Committees & individual Directors
6. Details as required by SEBI (Listing Obligations and Disclosure Requirements)

Policies

Vigil Mechanism

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

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

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration cum Compensation Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and fixing their remuneration. The Remuneration Policy is provided in the Corporate Governance Report. The Nomination & Remuneration Policy is also posted in the Investors section of the Company's website **www.hil.in** on the following link **http://hil.in/investors/codes-policies/**.

Sexual Harassment Policy

Your Company is an equal opportunity provider and at the same time, it has been an endeavour of the Company to support women professionals through a safe, healthy and conducive working environment by creating and implementing proper policies to tackle issues relating to safe and proper working conditions for them and as per the provisions of "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" has framed a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto.

In the year under review, the Company has not received any complaint under the said Policy.

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with 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, omnibus approval for the estimated value of transactions with the related parties for the financial year ahead has been obtained from the Audit Committee. The transactions with related parties are routine and repetitive in nature.

A summary statement of the transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed and approved by the Audit Committee and the Board of Directors on quarterly basis. The requisite details of the related party transactions entered into during the financial year are provided as **Annexure (V)** to this report. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

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.

Risk Management

The Company has laid down the procedure for risk assessment and its mitigation through an internal Risk Committee. Key risks and their mitigation arising out of reviews by the Committee are assessed and reported to the Audit Committee on a periodic basis. The Risk Management Policy details the Company's objectives and principles of Risk Management along with an overview of the Risk Management process, procedures and related roles and responsibilities.

During the year, the Board reviewed the elements of risk and the steps taken to mitigate the risks and in the opinion of the Board there are no major elements of risk, which has the potential of threatening the existence of the Company.

Internal Financial Controls with Reference to Financial Statements

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

1. All transactions are recorded in the ERP system SAP.
2. Well defined policies, guidelines, and Standard Operating Procedures ('SOPs'), authorisation and approval procedures.
3. The internal financial controls of the Company are adequate to ensure accuracy and completeness of the accounting records, timely preparation of reliable financial information, prevention and detection of frauds and errors, safeguarding of the assets and that the business is conducted in an orderly and efficient manner.
4. The Company has appointed Internal Auditors to check the Internal Controls and to ensure whether the workflow of the organisation is in accordance with the approved policies of the Company; and
5. The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Whistle Blower Policy, Corporate Social Responsibility Policy, Risk Management Policy, 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 and such other procedures for ensuring orderly and efficient conduct of its business for safeguarding of its assets, accuracy and completeness of the accounting records and timely preparation of reliable financial information.
6. Systems to ensure compliances with prevalent statue and statutory compliances are in place.

Auditors

Statutory Auditors

As per Section 139 of the Companies Act 2013, M/s. S R Batliboi & Associates, LLP was appointed as Statutory Auditors for a period of Three (03) years i.e from conclusion of 67th Annual General Meeting (held on 18th July, 2014) till the conclusion of the 70th Annual General Meeting and the said term of M/s. S R Batliboi & Associates, LLP will expire with the conclusion of the ensuing Annual General Meeting.

Based on the recommendation of the Audit Committee, the Board of Directors has recommended the appointment of M/s. BSR & Associates, LLP, Chartered Accountants, (ICAI Firm Registration Number : 116231W/W-100024) as the Statutory Auditors of the Company, to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the 75th Annual General Meeting to be held in year 2022, subject to ratification by the members at every AGM thereafter.

Resolution proposing the appointment of M/s. BSR & Associates, LLP, Chartered Accountants, (ICAI Firm Registration Number : 116231W/W-100024) as the Statutory Auditors is included in the notice of the ensuing Annual General Meeting.

M/s. BSR & Associates, LLP, Chartered Accountants, (ICAI Firm Registration Number : 116231W/W-100024) has provided the certificate of eligibility as per the provisions of Companies Act, 2013 and the same is available for inspection by the members during business hours.

The Audit Report issued by M/s. S R Batliboi & Associates, LLP, Statutory Auditors for the financial year ended 31st March, 2017 forms part of this Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors, which requires explanation or comments from the Board.

Internal Auditors

The Company has an in-house internal audit team, which monitors the effectiveness of the internal control systems. It reports to the Managing Director about the adequacy and effectiveness of the internal control system of your Company. Your Company also retained the services of M/s. KPMG, Chartered Accountants and other reputed Chartered Accountants to audit specific locations and processes for the year 2016-17.

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

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 31st March, 2018 at a remuneration of ₹6.0 lacs. Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2017-18 at the ensuing Annual General Meeting of the Company, in accordance with Section 148 of the Companies Act 2013.

The Cost Audit report for the financial year ended 31st March, 2016 was duly filed with the Central Government within the due date.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 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. The secretarial audit report issued by M/s. P.S. Rao and Associates, Company Secretaries for the financial year ended 31st March, 2017 is given in the **Annexure (VI)** attached hereto and forms part of this Report. The report does not contain any qualifications, reservations or adverse remarks.

Joint Ventures and Consolidated Financial Statements

As on 31st March, 2017, 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 remaining 67% of the share capital in Supercor. Information required pursuant to Section 129(3) of the Companies Act, 2013 a statement containing salient features of the Subsidiaries/ Joint Ventures of the Company is provided in Form AOC-1 attached as **Annexure (VII)** to this Report.

With change in market conditions and expecting non-asbestos products would attract better demand as compared to asbestos product, Supercor had changed its product mix and converted its product range from asbestos to non-asbestos based products in the year 2014 post which, the revenue of Supercor fell drastically due to their inability to recover the increased cost of the non-asbestos product from the market and thereby reported cash losses for the year 2014. The situation further deteriorated in the year 2015 causing severe cash crisis and could not meet their routine obligation of paying salaries / wages to their employees / workers which hampered the operation and forced them to suspend the operations since November, 2015. In view of the same, none of the employees/ workers resumed their offices and all the basic facilities such as power, internet and other connections were discontinued due to non-payment of the dues.

In view of the above, Supercor expressed its inability to prepare the financial statements for the year ended 31st December, 2016 and hence Company considers that the financial statements would not be available for consolidation and is presenting its financials on standalone basis for the financial year ended 31st March, 2017.

Further, your Company has been demanding its receivables from Supercor for the last few years and Supercor could not pay these dues due to the severe cash crisis. Hence your Company initiated winding up proceedings against Supercor as per the laws of Nigeria and also made an application for seeking exemption from consolidation of accounts on the aforesaid grounds with the Registrar of Companies, Andhra Pradesh and Telangana vide E form GNL -1 and the same has been approved by the Registrar of Companies.

Employee Stock Options

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

Nomination & Remuneration cum Compensation Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Scheme of the Company in accordance with the Securities and Exchanges

Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations"). There is no change in the ESOS scheme of the Company during the year

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 **Annexure (VIII)** to this Report and there were no new grants of options during the year (Outstanding options as on 31st March, 2017 are 84200).

Certificate from M/s. S R Batliboi & Co. LLP, Chartered Accountants, 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 including the amendments thereto, 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 to this report.

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure (IX)** of this Report.

Human Capital and Industrial Relations

People management at HIL go beyond the set boundaries of compensation, performance, appraisal and development. Your Company places Employee engagement, development and retention as its highest priority, to enable achievement of organisational goal. The Company has automated few of the HR processes to make them more robust. The recruitment process is totally aligned to attract best quality & diversified talent. The Company's management firmly believes that a strong and stable industrial relation is essential for success of any organisation. Over the years the management has made sincere and continued efforts for the development of an atmosphere of mutual co-operation, confidence and respect duly recognising the rights of the workers. A very rigorous labour law compliance mechanism is in place to help us to run our businesses in the most ethical manner. As on 31st March, 2017, the Company had 1501 employees.

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

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

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

Significant and Material Orders Passed by the Regulators/Court

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

Material Changes and Commitments

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31st March, 2017 to which the financial statements relates and the date of signing of this report.

Investor Education and Protection Fund (IEPF)

In terms of Section 123, 124 and 125 of the Companies Act, 2013, the unclaimed dividends i. e Final Dividend for the year 2008-09, Interim Dividend for the year 2009-10 had been transferred to the IEPF Fund.

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 2010-11 (list of the shareholders along with the unclaimed dividend details are available on the website of the Company **www.hil.in/investors** are requested to claim their unclaimed dividend at the earliest.

Acknowledgements

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

On behalf of the Board of Directors

Place: New Delhi
Date : 27th April, 2017

Dhirup Roy Choudhary
Managing Director & CEO
DIN-07707322

Desh Deepak Khetrapal
Director
DIN-02362633

Annexure(s) to the Directors' report

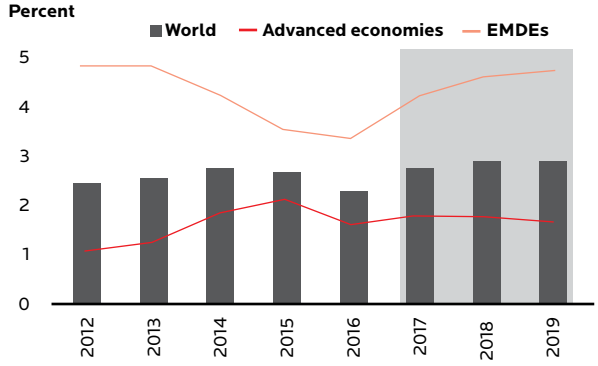
Annexure (I): Management Discussion and Analysis

Economic Review

Global Economy

Global growth is estimated to have fallen to 3.1% in 2016 compared to 3.4% in 2015. As the prospects for several countries are now improving, we expect economy to bounce back to 3.5% in 2017. Anemic global investment was accompanied by a further weakening of global trade. Mitigating these headwinds for emerging market and developing economies (EMDEs), commodity prices strengthened. Advanced economies continue to be afflicted by weak underlying growth and low inflation, while uncertainty about future policy direction increased. Growth for advanced economies is projected to recover modestly to 1.8% in 2017 (from 1.6% in 2016). Emerging economies have grown in line with last year at 4.1%, same as 2015. However, with positive reforms in several emerging economies, the growth is expected to grow at 4.5% in 2017 and 4.8% in 2018. *(Source: World Economic Outlook, 2017)*

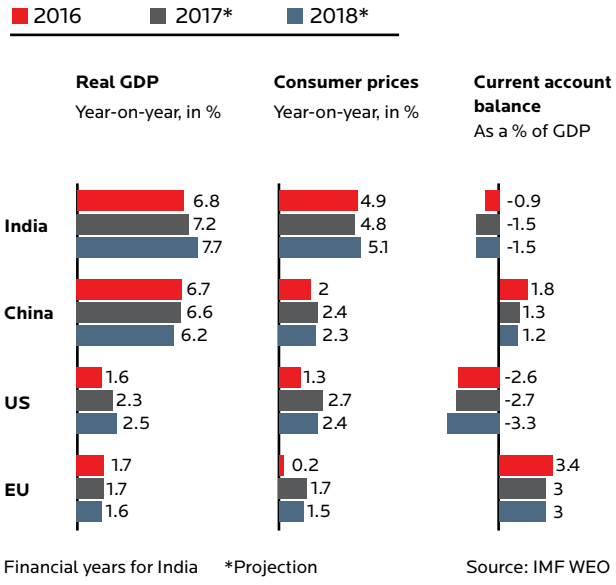
A. Global growth



Indian Economy

The International Monetary Fund (IMF), projects India's economy to grow around 6.8% for 2016-17 (from 7.6% advanced estimates in 2015-16), making it the world's fastest growing major economy, with China estimated to have grown at 6.7% in 2016. China's economy is expected to steadily slow down to 6.6% in 2017 and 6.2% in 2018 due to the 'complex process of rebalancing' by reorienting demand from exports and investment in consumption.

In near short-term, the growth in India is expected to further boost with implementation of key reforms, loosening of supply-side bottlenecks and appropriate fiscal and monetary policies. With critical structural reforms, favourable terms of trade and lower external vulnerabilities, the Country is expected to register 7.2% growth in GDP for 2017-18.



Financial years for India *Projection Source: IMF WEO

Industry Review

Real Estate overview

Despite all these hurdles, the Indian real estate sector, whose share in the Indian GDP has stayed constant between 7-8% over the past five years, is expected to touch US$ 180 billion by 2020; by growing at a CAGR of 11.2% in the period FY2008-2020. Presently the construction sector accounts for 8.2% of the GDP, 11.39% of the total output, and 11.5% of employment.

Government initiatives for the housing sector

Real Estate Act

The Real Estate (Regulation and Development) Act, 2016 received the assent of the President on 25th March, 2016 ("Real Estate Act"). The Real Estate Act seeks to protect consumer interest, ensure efficiency in all property related transactions, improve accountability of developers, boost transparency and attract more investments to the sector.

Housing for all

The union cabinet launched the "Housing for All by 2022" project on 25th June, 2015, also known as the "Pradhan Mantri Awas Yojana", aimed at urban areas. The key components of Yojana, include i) benefits for slum development projects, such as extra floor space index and transferable development rights if required, grant of ₹1 lacs per house, "free sale" component for developers; ii) assistance of ₹1.5 lacs per house for the economically weaker sections, in projects wherein the project has atleast 250 houses and 35% houses are reserved for economically weaker sections category; iii) subsidised loans at 6.5% per annum for economically weaker sections and lower income group for loans upto ₹6 lacs (calculated at net present value); and iv) assistance of ₹1.5 lacs for individuals of economically weaker section category for construction of own house.

Indira Awas Yojana

Indira Awas Yojana is a flagship scheme of the Ministry of Rural Development, Government of India to provide houses to below poverty line rural households belonging primarily to the scheduled caste, scheduled tribe and bonded labour categories. Under this scheme, the cost is borne by Centre and State Governments in the proportion of 75:25. An allocation of ₹100 billion was provided under the budget for Fiscal year 2015-16.

Building Material industry

Building materials are utilised across real estate construction segments. The industry in India is currently sized at approximately ₹4.4 trillion as of 2015-16 comprising of eight key segments, namely: Cement, Structural Steel, Bricks, Paints, Plumbing, PVC, Ceramic tiles, Plywood, Laminates and Lighting. These segments have grown at a CAGR of 5-5.5% over the past three years. Going forward, it is estimated that the industry will reach ₹6.8-7.0 trillion by 2020-21.

Roofing industry

The Fibre cement roofing industry is more than eight decades old in India. Largely dominated by 4-5 players in the organised sector, the Roofing industry accounts for about 20% of the overall building products market.

There lies a strong demand for roofing in rural India wherein, out of 21 cr houses in rural area, ~54% are Kuchha houses. The huge housing deficit in rural India (lack of Pucca houses) offers tremendous opportunity of sustained growth of new age construction practices as well as building products. Also consistent growth in rural income leads to aspiration of a better quality living standard. The Government is also very keen on rural development through its various schemes.

Comparative Characteristics of Various Roofing Materials

S. No.	Characteristics	Fibre Cement Sheets	Corrugated Galvanised Iron Sheets (CGI)	Aluminium Sheets	Red Mud Plastic (RMP)
1.	Life Span (years)	50 (Min) Non-Corrosive	5-10 Not (Corrosive)	-	5 (Tends to get Flattened)
2.	Maintenance	Nil	Every 3-5 years	Nil	Nil
3.	Fire Rating	Retardant	Tendency to twist & melt	Tendency to twist & melt	Fire Prone
4.	Thermal Conductivity/ Insulation	Good	Poor	Poor	Fair
5.	Accoustic rating	Good	Poor	Poor	Poor
6.	Absorption of rain & Wind Noise	Good (Deadens these Noise)	Poor	Poor	Poor
7.	Energy Consumption (KWH/Sqm)	3	36.6	33	48
8.	Manpower Potentail	Intensive	Low	Low	Low
9.	Imported Content (₹/ Sqm)	5.6	15-22.5	1	33
10.	Wind Resistence when installed	Good	Poor	Poor	Poor

Demand drivers for Building Materials

Increase in population: Housing demand is primarily a function of population growth. Between 2011 and 2021, India's population is projected to increase approximately 11% to 1.4 billion, which will see housing demand touch 285 million. During 2001 to 2011, the population grew nearly 18% to about 1.2 billion, and comprised about 246 million households.

Increase in income levels: India's per capita disposable income has increased from ₹73,476 in Fiscal 2012 to ₹107,817 as of Fiscal 2016 (base year Fiscal 2012, at current prices, inclusive of other current transfers (net) from rest of the world). Increasing disposable income increases demand for housing units as it increases the affordability. This has a cascading effect on building materials segment.

Increase in nuclear families: The trend of nuclearisation, formation of multiple single families out of one large joint family, is expected to increase in India as individuals give more importance to increased mobility of labour in search of better employment opportunities. Changing social/cultural attitudes too contributes to increased nuclearisation, leading to higher demand for housing.

Easy availability of finance: Availability of financing options for the retail customer is expected to provide a boost to the housing segment and consequently serve as a push for the building material segment.

Company overview

HIL has grown to become one of the most respected companies and a market leader in the building material products' space. HIL was built on over 70 years of perseverance and exemplary dedication to break new ground and make significant contributions to rapidly advance in the building material industry in India.

HIL has a comprehensive product range. HIL's portfolio includes Charminar – India's largest manufacturer of fibre-cement roofing solutions and Aerocon – India's leading Building Solutions brand comprising of dry and wet walling and CPVC / UPVC pipes and fittings and HYSIL – The leading brand in green industrial insulation.

Armed with a strong mix of state-of-the-art manufacturing facilities, pan-India presence, unparalleled distribution network and meticulous customer care culture, HIL is leading and shaping building material products' industry in India.

Business segments

The Company's business can broadly be classified into three groups i.e. Roofing, Building Solutions and Pipes & Fittings.

(a) Roofing

This segment consists of Fibre Cement Sheets and Coloured Steel Sheets."Fibre Cement Sheets" continue

to be the major revenue generator for the Company by contributing around 67% of the Company's Revenue. The Fibre Cement Sheet Industry witnessed mild slowdown in demand pick up in the first half of the financial year 2016-17 due to weak monsoon in certain parts of the Country. This was further worsened during the third quarter due to demonetisation coupled with lower cash availability in the hands of the end users. However the scenario improved partially during later part of the fourth quarter of the financial year 2016-17.

In view of the aforesaid reasons, the Fibre Cement business registered a decline of 10% as compared to the industry de-growth of 8%. With a clearly laid down strategy based on market/ territories, your Company has retained its market leadership. Efforts taken by the Company in terms of optimising production across its facilities coupled with operational efficiencies continue to yield desired results for the Company.

(b) Building Solutions

Building Solutions consists of Wet-Walling and Dry Walling Solutions with products like Fly-Ash Bricks (AAC) - Light-Weight-large-size Bricks, "Smartfix", Smartputty", "Smartplaster", "Aerocon Panels & Boards" and "SmartBond".

The total Building Solution business has registered a growth of 20% over previous year. The share of HIL business from this vertical has grown from 15% to 26% over last three years thereby reducing the dependency on Fibre Cement Sheets. Product differentiation, cost optimisation, branding and customer service are key factors that have contributed to the growth of 'AEROCON'. Well planned 'Go to Market' strategy with add on products like "Smartfix", Smartputty", "Smartplaster" helped this division to increase the market share of this business during the year.

Our unique, ready-to-install Panels is poised to revolutionise building construction, taking it to a whole new level. They are Solid Wall Panels, made of two Fibre Reinforced Cement facing sheets, on either sides of a lightweight concrete core. The core is made from a mix of Portland cement and binders. Apart from being fully cured at the factory itself, panels have a tongue and groove jointing system that facilitates rapid construction with minimum effort thereby creating huge market explanation opportunities in commercial industrial sector, infra growth and low cost housing segments. These can be used for number of applications like partitions, walls, mezzanine flooring and pre-fabricated houses.

(c) Pipes & Fittings

Pipes and fittings (CPVC & UPVC) products currently caters to parts of the Northern and Southern markets. With expected growth in infrastructure and construction industry, the demand for these products is expected to increase manifold in the coming years. With sustained brand building and strong marketing initiatives, Aerocon Pipes & Fittings has become one of the preferred choices of the customers of NCR, Telangana and Andhra Pradesh markets.

The demand for these products looks promising and your Company believes that this division will drive the future growth by expanding market reach, increased SKU's and product range coupled with strong brand building initiatives.

(d) Wind Power

With the existing capacity of 9.35MW, the Company now has wind turbines installed at Gujarat, Tamil Nadu and Rajasthan. The captive power generated from Gujarat and Tamil Nadu units have helped to cut down power costs at our Block manufacturing plants in the respective states.

Outlook of the Company

India stands at a threshold of achieving the next-level growth. With a proactive government at helm, the country is fast moving as a preferred destination for foreign investments. The impetus on 'Affordable Housing' and increasing push for infrastructure is poised to push the demand for building material higher in the near short term.

Infrastructure continues to be a driving force for meeting the future growth targets. With increasing budgetary allocations to the infrastructure sector, the sector is expected to drive the economy ahead. With ambitious targets and planned outlay, infrastructure development will also drive industries and consumer spending in several rural and semi-urban areas. Development of more than 50,000 kms of highways, 100 smart cities and industrial clusters are some of the key agenda that will propel the country's overall development. With an ambitious target of ₹25 trillion investment in next three years across power, bridges, dams and roads etc, the sector is expected to witness significant growth in the coming years.

Green buildings and eco-friendly products are increasingly gaining prominence. As pioneers of green building products in our country, we shall continue to push the capacities and scale the products for building a greener and better India.

Our brands are the pillars of our sustainable business model. Charminar continues to dominate market for fibre cement sheets and we shall continue to further strengthen it with a deeper and wider market presence. Aerocon has steadily made a strong presence among its wide range of products.

As a part of our business strategy, we are also expanding our presence in pipes and fittings. Being aligned to our broader business model, we believe this business will further help the Company to leverage its wide distribution network to achieve a higher growth trajectory and contribute to overall business growth.

Risks

Your Company has a robust Risk Assessment and Management process. The Risk Management Committee headed by the Managing Director with active participation of senior leadership team handles the process of Risk Identification, Assessment and Mitigation plans. The process adopted by the committee is reviewed by the Board for implementation and continuous monitoring. Your Company classifies the risks broadly into two categories, viz., External Risks and Internal Risks. The external risks mainly comprises of business risks on various fronts. The identified business risks and opportunities are deliberated in detail and thereafter considered in the business plan of the Company along with the mitigation plan. The internal risks identified by the committee are systematically addressed on a continuous basis across the locations. These findings are discussed with both the Management Committee and the Audit Committee.

The Company's major revenue generator, viz., Fibre Cement Sheet has direct correlation with the GDP growth of the Country. Agricultural growth in India largely depends on monsoon and weather conditions across the Country. The uncertain weather conditions affect the growth of this sector to a large extent.

Major raw materials used in our products are OPC cement, fibre, fly-ash, and lime. Cement, being a seasonal commodity product, high volatility in its pricing is experienced during different seasons and its availability becomes a constraint in some of the regions. As the capacity of the cement industry has increased in the last couple of years, this risk has reduced to a great extent. Also, HIL is working with major cement players across regions to ensure smooth and un-interrupted supplies and we are confident that it will not hurt our production pattern adversely.

Constraint in supply of Fibre due to closure of certain mines across the world has resulted in increased dependency on limited supply sources. In view of long association with these vendors, your Company secures its requirements to a maximum extent thereby ensuring availability of fibre as per business requirement. With focused thrust on R&D, your Company could continuously reduce the fibre content over the years considerably which is helping the Company to overcome this risk to a great extent. Pricing and supply of fly-ash, another key raw material is expected to remain in a range and not have any major adverse impact on the cost of production.

Fibre Cement Products Manufacturing Association ("FCPMA") and Asbestos Information Centre("AIC"), nodal agencies promoted by the Indian Manufactures are advocating safe/ controlled use through different forums, which has created good positive awareness among the users of the products and the public at large.

Research & Development

HIL has developed a state-of- the- art R&D facility with a team of highly qualified and dedicated professionals to develop and refresh technologies and processes continuously redefining industry standards leading to solutions that are enriched, cost effective and environmentally friendly. It is recognised by the Department of Scientific and Industrial Research (DSIR). Over the years the team has actively worked in developing new products and enhancing operational efficiencies through effective debottlenecking.

By virtue of the in-house R & D capabilities, your Company is a trend setter in building material industry in India

Internal financial control systems

The Company has comprehensive internal financial control systems for all major processes to ensure reliability of reporting. The system also helps management to have timely data/ feedback on various operational parameters for effective review. It also ensures proper safeguarding of assets across the Company and its economical use. The internal financial control system of the Company is commensurate with the size, scale and complexity of its operations. The systems and controls are periodically reviewed and modified based on the requirement. The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness

of risk management, control and governance process. The scope of Internal Audit is well defined and documented and the Audit Committee reviews the observations of the Internal Audit critically. The composition and working of the Audit Committee forms part of the Corporate Governance Report.

Human resources

People management at HIL go beyond the set of boundaries of compensation, performance, appraisal and development. Our strengthening culture has helped to build careers for our people. HIL places Employee engagement, development and retention of talent as its highest priority, to enable achievement of organisational goals. HIL has also automated few of the HR processes to make them more robust. The recruitment process is totally aligned to attract best quality & diversified talent. The Company's management firmly believes that a strong and stable industrial relation is essential for success of any organisation. Over the years the management has made sincere and continued efforts for the development of an atmosphere of mutual co-operation, confidence and respect duly recognising the rights of the workers. A very rigorous labour law compliance mechanism is in place to help us run our businesses in the most ethical manner. As on 31st March, 2017, the Company had 1501 employees.

Environment, Health & Safety

The Company believes that a clean environment in and around the work place fosters health and prosperity for individuals, groups and the community they belong to. Regular medical examinations of employees and health care schemes are an integral part of the Company's policy. Health surveillance of employees adhering to national regulations and ILO recommendations is an ongoing process. We ensure that best environment engineering controls are adopted in the factories. These controls aim in preventing accidents, environment pollution and health hazards. The Pollution control equipment installed in our Plants ensures achievement of internationally acclaimed practices which are recommended to be followed elsewhere in the world. The Company's policies give highest priority to safety, both occupational and general health of employees, and on environment protection.

Cautionary Statement

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

Annexure (II): Annual Report on Corporate Social Responsibility (CSR) activities

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

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

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

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

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

2. Composition of the CSR Committee:

S. No.	Name	Designation and Category
1	Mr. Desh Deepak Khetrapal	Chairman-Non Executive Director
2	Mr. Yash Paul	Member-Independent Director
3	Mrs. Gauri Rasgotra	Member-Independent Director

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

Average net profit: ₹5390 lacs

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

The Company is required to spend: ₹107.81 lacs towards CSR.

5. Details of CSR spent during the financial year:

a) Total amount spent for the financial year is ₹159.78 lacs (represents an amount of ₹107.81 lacs for the financial year 2016-17 and balance ₹51.96 lacs for the financial year 2014-15 carried forward).

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

Sl. No	Sector	Projects/Activities	Locations	Amount Outlay (budget) Project or Programme wise ₹ lacs	Amount Spent on the Project or Programmes ₹ lacs	Cumulative expenditure upto reporting period ₹ lacs	Amount spent: Direct or through implementing agency*
1	Promotion of Education (Clause ii of Schedule VII of Companies Act, 2013)	Development of Round Table Govt. Primary and High School" and Training for Deaf Enable Society	Hyderabad	10.00	7.26	7.26	Through Abhaya Foundation (Registered & eligible Society)
		Building construction (Training) for Association of Mentally Handicapped Adults	Thrissur	3.00	3.00	10.26	Through Sevabharathi (Trust)
		Drinking Facilities & Computers for Govt. Girls High School	Faridabad	1.40	1.09	11.35	Directly by Company
		Construction of toilet blocks & drinking facility under Swatch Bharat initiative in Jaunpur School	Satharia	10.00	7.76	19.11	Directly by Company
		Providing infrastructure facilities for children high school	Balasore	6.00	1.21	20.32	Directly by Company
		Donation for mobile science library in remote schools	Jasidih	3.00	3.00	23.32	Through District Collector
		Construction of Library at Govt. School	Satharia	5.00	4.00	27.32	Directly by Company
2	Eradication of Hunger, Poverty Alleviation etc (Clause i of Schedule VII of Companies Act, 2013)	Providing Support to CMRI (Calcutta Medical Research Institute) for MRI Scan Equipment	Kolkata	100.00	100.00	127.32	Directly by Company
		Eradicating malnutrition & hunger in tribal villages	Wada	3.00	3.00	130.32	Through Vidhayak Sansad (Trust)
		Construction of multi-purpose hall in village	Kondapally	8.00	8.00	138.32	Directly by Company
		Construction of kitchen / dining hall in ZP boys high School	Kondapally	5.00	5.51	143.83	Directly by Company
		Aahaar scheme for food to needy people	Balasore	7.00	7.00	150.83	Through District Collector
		Hunger and Sanitation	Jhajjar	5.00	0.00	150.83	Deferred at the request of the concerned authorities
		Drinking Facilities at High School	Golan	5.00	0.84	151.67	Directly by Company

b) Manner in which the amount spent during the financial year is detailed below: (Contd...)

Sl. No	Sector	Projects/Activities	Locations	Amount Outlay (budget) Project or Programme wise ₹ lacs	Amount Spent on the Project or Programmes ₹ lacs	Cumulative expenditure upto reporting period ₹ lacs	Amount spent: Direct or through implementing agency*
3	Orphanages, Old age homes, Gender Equality etc (Clause iii of Schedule VII of Companies Act, 2013)	Infrastructure facilities at home for handicapped children	Faridabad	5.10	4.69	156.36	Directly by Company
		Donation of blankets, etc. to orphanage	Wada	1.50	1.42	157.78	Directly by Company
		Construction of boundary wall of blind & old age home	Jasidih	2.00	2.00	159.78	Through District Collector

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

Mr. Desh Deepak Khetrapal
Chairman CSR Committee
DIN-02362633

Mr. Dhirup Roy Choudhary
Managing Director & CEO
DIN-07707322

Place : New Delhi
Date : 27th April, 2017

Annexure (III): Extract of Annual Return

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT – 9

I. Registration and Other Details:

CIN	L74999TG1955PLC000656
Registration Date	17.06.1946
Name of the Company	HIL Limited
Category / Sub-Category of the Company	Company Limited by Shares Public-Non Government Company
Address of the Registered office and contact details	Office 1 & 2, L7 Floor, SLN Terminus, Sy. No.133, Gachibowli, Hyderabad -500032, Telangana. Tel: 040-30999122
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Venture Capital and Corporate investments Private Limited. 12-10-167, Bharat Nagar, Hyderabad – 500018 Tel: 040-23818475 / 76 Contact Person Mr. Prasad Tel; 040-23818475/76 Email Id: **info@vccipl.com**

II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Fibre cement sheets	23953	64%
2	Fly-Ash Bricks (AAC)	23954	16%

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

Sl. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Supercor Industries Limited, 5 Ashaka Close, Industrial Estate, P.O. Box 51, Bauchi, Nigeria	Foreign Company	Associate Company (Joint Venture)	33%	2(6)

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

i. Category-wise Share Holding

Category code	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoter and Promoter Group										
1 Indian										
(a)	Individuals/ Hindu Undivided Family	51376	0	51376	0.69	51376	0	51376	0.69	-
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	-
(c)	Bodies Corporate	3007836	0	3007836	40.31	3007836	0	3007836	40.31	-
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	-
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	-
Sub-Total (A)(1)		**3059212**	**0**	**3059212**	**40.99**	**3059212**	**0**	**3059212**	**40.99**	**-**
2 Foreign										
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	-
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	-
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	-
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	-
Sub-Total (A)(2)		**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**-**
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		**3059212**	**0**	**3059212**	**40.99**	**3059212**	**0**	**3059212**	**40.99**	**-**
B Public Shareholding										
1 Institutions										
(a)	Mutual Funds/ UTI	86206	486	86692	1.16	593	486	1079	0.01	1.15
(b)	Financial Institutions/ Banks	19203	4525	23728	0.32	10855	4525	15380	0.21	0.11
(c)	Central Government/ State Government(s)	305552	0	305552	4.09	314416	0	314416	4.21	(0.12)
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	-
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	-
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	-
Sub-Total (B)(1)		**410961**	**5011**	**415972**	**5.57**	**325864**	**5011**	**330875**	**4.43**	**1.14**
2 Non-Institutions										
(a)	Bodies Corporate	545886	2122	548008	7.34	573760	2122	575882	7.72	(0.38)
(b)	Individuals –									
I	Individual shareholders holding nominal share capital up to ₹1 lacs.	2356940	127870	2484810	33.30	2288204	113948	2402152	32.19	1.11

i. Category-wise Share Holding (contd...)

Category code	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
II	Individual shareholders holding nominal share capital in excess of ₹1 lacs.	402543	0	402543	5.39	509008	0	509008	6.82	(1.43)
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(d)	Foreign Body Corporate									
(d1)	Clearing Members	41040	0	41040	0.55	163542	0	163542	2.19	(1.64)
(d2)	NRI	112578	0	112578	1.51	114792	0	114792	1.54	(0.03)
(d3)	OCB's	398300	0	398300	5.34	307000	0	307000	4.11	1.23
(d4)	Trust	100	0	100	0.00	100	0	100	0.00	-
(d5)	GDR	0	0	0	0.00	0	0	0	0.00	-
Sub-Total (B)(2)		**3857387**	**129992**	**3987379**	**53.43**	**3956406**	**116070**	**4072476**	**54.57**	**(1.14)**
Total Public Shareholding (B) = (B1 +B2)		**4268348**	**135003**	**4403351**	**59.01**	**4282270**	**121081**	**4403351**	**59.01**	**-**
TOTAL (A) + (B)		**7327560**	**135003**	**7462563**	**100.00**	**7341482**	**121081**	**7462563**	**100**	**-**
C Shares held by Custodians and against which Depository Receipts have been issued.		0	0	0	0.00	0	0	0	0.00	-
Sub-Total (C)		**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**-**
GRAND TOTAL (A)+(B)+(C)		**7327560**	**135003**	**7462563**	**100.00**	**7341482**	**121081**	**7462563**	**100.00**	**-**

ii. Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Amer Investments (Delhi) Limited	308763	4.14	-	308763	4.14	-	-
Ashok Investment Corporation Limited	317743	4.26	-	317743	4.26	-	-
Central India Industries Limited	1074634	14.40	-	1074634	14.40	-	-
Chandra Kant Birla	51376	0.69	-	51376	0.69	-	-
Gwalior Finance Corporation Limited	96200	1.29	-	96200	1.29	-	-
Hitaishi Investments Limited	67066	0.90	-	67066	0.90	-	-
Hyderabad Agencies Private Ltd	4100	0.05	-	4100	0.05	-	-
Orient Paper and Industries Limited	906360	12.15	-	906360	12.15	-	-
Ranchi Enterprises and Properties Limited	4500	0.06	-	4500	0.06	-	-
Shekhavati Investments and Traders Ltd	224470	3.01	-	224470	3.01	-	-
Universal Trading Company Limited	4000	0.05	-	4000	0.05	-	-
Total	**3059212**	**40.99**	**-**	**3059212**	**40.99**	**-**	**-**

iii. Change in Promoters' Shareholding

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

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the Year (01-04-2016 to 31-03-2017)	
		No. of Shares at the beginning (01-04-2016)/end of the Year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	GOVERNOR OF ANDHRA PRADESH	305552	4.09	01-Apr-16		Nil Movement during the year		
		305552	4.09	31-Mar-17			305552	4.09
2	HYPNOS FUND LIMITED	250000	3.35	01-Apr-16				
		180000	2.41	31-Mar-17	-70000	Sale / Transfer	180000	2.41
3	RUCHIT BHARAT PATEL HARDIK BHARAT PATEL	160304	2.15	01-Apr-16				
				08-Apr-16	-70167	Sale / Transfer	90137	1.21
				11-Nov-16	131	Purchase	90268	1.21
				18-Nov-16	6001	Purchase	96269	1.29
				25-Nov-16	7660	Purchase	103929	1.39
				02-Dec-16	2593	Purchase	106522	1.43
				09-Dec-16	4325	Purchase	110847	1.49
				23-Dec-16	506	Purchase	111353	1.49
				30-Dec-16	549	Purchase	111902	1.5
				06-Jan-17	1000	Purchase	112902	1.51
		23389	0.31	31-Mar-17	-89513	Sale / Transfer	23389	0.31
4	RELIANCE CAPITAL TRUSTEE CO. LTD.-A/C RELIANCE SMALL CAP FUND	85613	1.15	01-Apr-16				
				03-Feb-17	-9519	Sale / Transfer	76094	1.02
				10-Feb-17	-24300	Sale / Transfer	51794	0.69
				17-Feb-17	-200	Sale / Transfer	51594	0.69
				24-Feb-17	-6508	Sale / Transfer	45086	0.60
				03-Mar-17	-4029	Sale / Transfer	41057	0.55
				17-Mar-17	-35372	Sale / Transfer	5685	0.08
				24-Mar-17	-5685	Sale / Transfer	0	0.00
		0	0.00	31-Mar-17			0	0.00
5	ACIRA CONSULTANCY PRIVATE LIMITED	84000	1.13	01-Apr-16		Nil Movement during the year		
		84000	1.13	31-Mar-17			84000	1.13
6	MINAL BHARAT PATEL	70306	0.94	01-Apr-16				
				26-Aug-16	4689	Purchase	74995	1.00
		86528	1.16	31-Mar-17	11533	Purchase	86528	1.16

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the Year (01-04-2016 to 31-03-2017)	
		No. of Shares at the beginning (01-04-2016)/end of the Year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
7	ASIF ALLADIN AAMIR ALLADIN	64140	0.86	01-Apr-16		Nil Movement during the year		
		64140	0.86	31-Mar-17			64140	0.86
8	R R BAMFIELD INVESTMENTS LTD.	61000	0.82	01-Apr-16		Nil Movement during the year		
		61000	0.82	31-Mar-17		61000	0.82	
9	EDZER LTD.	61000	0.82	01-Apr-16		Nil Movement during the year		
		61000	0.82	31-Mar-17			61000	0.82
10	SHRI JAGANNATH EDUCATIONAL INSTITUTE	50000	0.67	01-Apr-16		Nil Movement during the year		
		50000	0.67	31-Mar-17			50000	0.67
11	HARDIK BHARAT PATEL MINAL BHARAT PATEL	905	0.01	01-Apr-16				
				08-Apr-16	834	Purchase	1739	0.02
				15-Apr-16	2799	Purchase	4538	0.06
				22-Apr-16	4307	Purchase	8845	0.12
				20-May-16	79000	Purchase	87845	1.18
				08-July-16	4488	Purchase	92333	1.24
				05-Aug-16	29545	Purchase	121878	1.63
				12-Aug-16	6671	Purchase	128549	1.72
				19-Aug-16	2000	Purchase	130549	1.75
				09-Sep-16	2546	Purchase	133095	1.78
				23-Sep-16	6958	Purchase	140053	1.88
				30-Sep-16	325	Purchase	140378	1.88
				07-Oct-16	4905	Purchase	145283	1.95
				25-Nov-16	2275	Purchase	147558	1.98
				02-Dec-16	2341	Purchase	149899	2.01
				16-Dec-16	2565	Purchase	152464	2.04
				30-Dec-16	1042	Purchase	153506	2.06
				06-Jan-17	2445	Purchase	155951	2.09
				03-Feb-17	-100000	Sale / Transfer	55951	0.75
		225951	3.03	31-Mar-17	170000	Purchase	225951	3.03
12	FINQUEST SECURITIES PVT. LTD.	549	0.01	01-Apr-16				
		89513	1.20	31-Mar-17	88964	Purchase	89513	1.20
13	M G SHARES AND STOCKS PVT. LTD.	0	0.00	01-Apr-16				
				23-Sep-16	10000	Purchase	10000	0.13
				30-Sep-16	10000	Purchase	20000	0.27
				07-Oct-16	7477	Purchase	27477	0.37
				14-Oct-16	10523	Purchase	38000	0.51
				21-Oct-16	-8000	Sale / Transfer	30000	0.40
				28-Oct-16	25000	Purchase	55000	0.74
				11-Nov-16	1000	Purchase	56000	0.75
				18-Nov-16	4000	Purchase	60000	0.80
				16-Dec-16	5000	Purchase	65000	0.87
				23-Dec-16	7000	Purchase	72000	0.96
				30-Dec-16	2000	Purchase	74000	0.99
				03-Feb-17	-4000	Sale / Transfer	70000	0.94
		70000	0.94	31-Mar-17	84000	Purchase	70000	0.94

v. Shareholding of Directors & Key Managerial Personnel

For Each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. CK Birla	51,376	0.69	51,376	0.69
Mr. Dhirup Roy Choudhary^	-	-	-	-
Mr. Prashant Vishnu Vatkar*				
Mr. Desh Deepak Khetrapal	-	-	-	-
Mr. P Vaman Rao	-	-	-	-
Mr. Yash Paul	-	-	-	-
Mrs. Gauri Rasgotra	-	-	-	-
Mr. K R Veerappan	-	-	-	-
Mr. G Manikandan	-	-	-	-

^ Appointed as Managing Director & Key Managerial Personnel with effect from 16th January, 2017 and re-designated as Managing Director & CEO with effective from 27th April, 2017

* Resigned as Managing Director & Key Managerial Personnel with effect from 20th September, 2016

V. Indebtedness

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

(₹ In lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13975.80	1795.22	-	15771.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.14	-	1.14
Total (i+ii+iii)	**13975.80**	**1796.36**	**-**	**15772.16**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	7453.73	1124.74	-	8578.47
Net Change	7453.73	1124.74	-	8578.47
Indebtedness at the end of the financial year				
i) Principal Amount	6522.07	671.62	-	7193.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**6522.07**	**671.62**	**-**	**7193.69**

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ In lacs)

Sl. No.	Particulars of Remuneration	Mr. Prashant Vishnu Vatkar Managing Director*	Mr. Dhirup Roy Choudhary Managing Director & CEO^
	Gross Salary		
1	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	124.10	47.45
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.20	0.00
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- Others, specify....	-	-
5	Others, please specify	-	-
	a) Employers contribution to PF	4.91	1.76
Total		**129.21**	**49.21**
Total (A)		**178.42**	
Ceiling Limit as per the Act (5% of profit as calculated under Section 198)		**355.35**	

^Appointed as Managing Director & Key Managerial Personnel with effect from 16th January, 2017 and re-designated as Managing Director & CEO with effect from 27th April, 2017

*Resigned as Managing Director & Key Managerial Personnel with effect from 20th September, 2016

b) Remuneration of Other Directors

(₹ In lacs)

Sl. No	Name of Directors	Category	Particulars of Remuneration			Total Amount
			Sitting Fees	Commission	Other, please specify	
1	Mr. CK Birla	Non-Executive Director	5.00	29.00	-	34.00
2	Mr. Desh Deepak Khetrapal	Non-Executive Director	11.00	20.00	-	31.00
3	Mr. P Vaman Rao	Independent Director	10.00	7.00	-	17.00
4	Mr. Yash Paul	Independent Director	13.00	7.00	-	20.00
5	Mrs. Gauri Rasgotra	Independent Director	7.50	7.00	-	14.50
Total			**46.50**	**70.00**	**-**	**116.50**
Ceiling Limit as per the Act (1% of profit as calculated under Section 198) (For payment of Commission)			**-**	**71.07**	**-**	**-**

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

(₹ In lacs)

Particulars of Remuneration	Mr. KR Veerappan Chief Financial Officer	Mr. G Manikandan Company Secretary & Financial Controller	Total Amount
Gross Salary			
a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	112.22	38.89	151.11
b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
Stock Options	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
- as % of profit	-	-	-
Others, please specify	-	-	-
a) Gratuity b) Employer's PF Contribution	7.17	2.48	9.65
Total (C)	**117.34**	**40.66**	**160.76**

VII. Penalties/Punishments/Compounding of Offences:

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

Annexure (IV): Corporate Governance Report

Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 ("Regulations") read with Schedule V thereto, compliance with the requirements of Corporate Governance is set out below:

1. Corporate Governance Philosophy

The Company is committed to the highest standards of Corporate Governance and practices such that the affairs of the Company are managed in such a way, which ensures accountability, fairness and transparency to the core of its sense and constitute a strong foundation to meet its stakeholders' aspirations, societal expectations and healthy growth. HIL Limited (HIL or Company) lays its foundation on the strong Corporate Governance systems, policies and framework, which enables the Board and Management to achieve the goals and objectives effectively for the benefit of the Company and its Shareholders including Customers, Creditors and Employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that the highest standard of ethical conduct is maintained throughout the organisation.

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

2. Board of Directors

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

(a) Composition and other related matters

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

As of 31st March, 2017 the Board comprises of Six (6) Directors, viz. 1 (One) Non-Executive Promoter Chairman, 1 (One) Managing Director & CEO, 1 (One) Non-Executive & Non Independent Director and 3 (Three) Non-Executive Independent Directors including one Women Director.

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

The details of composition of the Board of Directors as of 31st March, 2017, the attendance record of the Directors at the Board Meetings held during the financial year 2016-17 and at the Annual General Meeting (AGM) held during the year are as given below:

Name of the Director	Category of Directorship	Number of Directorships held in other Companies		Number of Committee positions held in other Companies		Attendance at	
		Total Directorships[1]	Directorships in other Public Companies[2]	Chairman[3]	Member[3]	Board Meetings	Last Annual General Meeting (28th July, 2016)
Mr. CK Birla	Chairman Promoter Non-Executive	7	6	-	-	5	Yes

Name of the Director	Category of Directorship	Number of Directorships held in other Companies		Number of Committee positions held in other Companies		Attendance at	
		Total Directorships[1]	Directorships in other Public Companies[2]	Chairman[3]	Member[3]	Board Meetings	Last Annual General Meeting (28th July, 2016)
Mr. P Vaman Rao	Director Non-Executive & Independent	1	-	.	.	4	Yes
Mr. Yash Paul	Director Non-Executive & Independent	-	-	-	-	5	Yes
Mr. Desh Deepak Khetrapal	Director Non-Executive & Non- Independent	2	2	-	3	5	Yes
Mrs. Gauri Rasgotra	Director Non-Executive & Independent	1	1	-	2	3	No
Mr. Prashant Vishnu Vatkar[4]	Managing Director	-	-	-	-	3	Yes
Mr. Dhirup Roy Choudhary[5]	Managing Director & CEO	-	-	-	-	1	NA

1. The number of total directorships is in accordance with Section 165 of the Companies Act, 2013 which excludes Foreign Companies.
2. Directorships in other Public Companies excluding Private Limited Companies, Foreign Companies and Section 8 Companies.
3. 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 LODR.
4. Mr. Prashant Vishnu Vatkar resigned as Managing Director with effect from 20th September, 2016.
5. Mr. Dhirup Roy Choudhary appointed as Managing Director with effect from 16th January, 2017 and re-designated as Managing Director & CEO with effect from 27th April, 2017.

- 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 Independent Directors of more than seven listed companies as required under Regulation 25 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.
- The composition of the Board is in conformity with the Regulation 17(1) of the Regulations.

- Mr. CK Birla holds 51,376 equity shares representing 0.69%, apart from Mr. CK Birla, none of the Directors hold shares in the Company.
- During the financial year 2016-17, 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.

(b) Board Meetings and Procedures

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

Date of Board Meeting	Board Strength	No of Directors Present
5th May, 2016	6	6
28th July, 2016	6	5
14th September, 2016	6	5
17th October, 2016	5	4
16th January, 2017	6	6

The Board is regularly apprised and informed of important business-related information. The dates of the Board Meetings are finalised 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 SEBI LODR Regulations to the extent these are relevant and applicable.

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

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

(c) Independent Directors' Meeting

The Independent Directors fulfil the criteria of independence as given in Regulation 16(b) of SEBI LODR Regulations & the Companies Act, 2013 and have given declaration of independence. All the Independent Directors have been appointed for a term of five years and Letter of Appointment containing terms and conditions of their appointment were issued to all Independent Directors and the Draft Letter of Appointment is available on the website of the Company **www.hil.in**.

The Independent Directors met on 17th October, 2016 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, the 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 Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, SEBI LODR Regulations, Insider Trading Regulations and other relevant regulations on regular basis.

Whenever any new Independent Director is appointed, he/she is made familiar to the business and its operations which includes Company's Manufacturing, Marketing, Finance and Other important aspects and also about his/her role and duties through presentations/ programmes by the Managing Director. The Company Secretary briefs the Director about his/her legal and regulatory responsibilities as a Director. The induction for Independent Directors includes interactive sessions with Executive Committee Members, Business Heads and visit to the manufacturing site whenever required.

The details of such Familiarisation Programmes for Independent Directors are available on **http://www.hil.in**

3. Committees of Directors

3.1 Audit Committee

(a) Composition and Meetings

The Company constituted a qualified and Independent Audit Committee comprising of 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.

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, four Audit Committee Meetings were held on 5th May, 2016, 28th July, 2016, 17th October, 2016 and 16th January, 2017 and the maximum gap between any two meetings was not more than one hundred and twenty days.

The composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

Sl. No.	Name of the Director	Category	No. of Meetings held during the year	No. of Meetings attended
1	Mr. Yash Paul	Chairman	4	4
2	Mr. P Vaman Rao	Member	4	4
3	Mr. Desh Deepak Khetrapal	Member	4	4
4	Mrs. Gauri Rasgotra	Member	4	2

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

The Chairman of the Audit Committee, Mr. Yash Paul, was present at the last Annual General Meeting of the Company held on 28th July, 2016.

Company Secretary acts as a Secretary to the Audit Committee.

Statutory Auditors, Head of Internal Audit, External Internal Auditors, Managing Director and Chief Financial Officer are permanent invitees to the Committee and they attend and 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 SEBI LODR 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.

During the year under review, there were no changes to the composition of Audit Committee and all recommendations made by the Audit Committee were accepted by the Board of Directors.

3.2 Nomination & Remuneration cum Compensation Committee

(a) Composition and Attendance

The Nomination & Remuneration Cum Compensation Committee comprises of three Non-Executive Directors out of which two are Independent. During the year under review, two meetings of the Nomination & Remuneration Cum Compensation Committee were held on 5th May, 2016 and 16th January, 2017.

The composition of the Nomination & Remuneration Cum Compensation Committee and the attendance of each member of the Committee at the meetings were as follows:

Sl. No.	Name of the Director	Category	No. of Meetings held during the year	No. of Meetings attended during the year
1	Mr. Yash Paul	Chairman	2	2
2	Mr. Desh Deepak Khetrapal	Member	2	2
3	Mrs. Gauri Rasgotra	Member	2	2

(b) Remuneration Policy

The Company's remuneration policy is structured in line with the trend in the Building Products Manufacturing Industry. In pursuance of the Company's policy to consider human resources as its invaluable assets and in terms of the provisions of the Companies Act, 2013 and the SEBI LODR Regulations, Policy on Nomination and Remuneration of Directors, Key Managerial Personnel ('KMP') & Senior Management was formulated to pay equitable remuneration to all Directors, KMP and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

The policy ensures that:

- The level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully;
- The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- The remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to working of the Company and its goals.

Remuneration Policy:

1. Appointment of Directors, Key Management Personnel(KMP) or Senior Management Personnel

Nomination & Remuneration Cum Compensation Committee in discussions with Management, identifies, ascertains the integrity, qualification, expertise and experience of the person for appointment as a Director, Key Management Personnel and/or Senior Management Personnel. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position. The appointment of a Director or a KMP, as recommended by the Nomination & Remuneration Cum Compensation Committee further requires the approval of the Board.

2. Remuneration of Directors, Key Management Personnel

Remuneration to Executive Directors, Directors other than Executive Director and KMP:

The remuneration/ compensation/ commission etc. to Directors and KMP will be determined by the Nomination & Remuneration Cum Compensation Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc., shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required. Increments to the existing remuneration/ compensation structure of Directors and KMP shall be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Directors.

Remuneration to Executive Director and KMP

Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP participate in a performance linked variable pay scheme which is based on the individual and company performance for the year, pursuant to which the Executive Director and KMP may be entitled to performance based variable remuneration.

Remuneration to Directors other than Executive Director

The Non - Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Remuneration/Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

(c) Remuneration of Directors

The remuneration of the Executive Director decided by the Board based on the recommendations of the Nomination & Remuneration Cum Compensation Committee as per the Remuneration Policy of the Company, within the limits fixed and approved by the shareholders in the general meetings. The remuneration of the Non-Executive Directors comprises of sitting fees and commission, if any. The Non-Executive Directors are paid sitting fees of ₹1,00,000/- for each meeting of the Board & Audit Committee and ₹50,000/- other Committee meetings attended by them during the year and reimbursement of expenses incurred (on actual basis) towards attending the meetings.

The Nomination and Remuneration Policy of the Company is available on the website of the Company at **www.hil.in/investor/policies**

The remuneration paid/payable to each of the Directors for the financial year ended 31st March, 2017 is as under:

(₹ In lacs)

Name of Director	Tenure	Remuneration for the financial year ended 31st March, 2017				Total
		Sitting Fee	Salary & Perquisites	Performance Pay	Commission	
Mr. CK Birla	NA	5.00	-	-	29.00	34.00
Mr. P Vaman Rao	5	10.00	-	-	7.00	17.00
Mr. Yash Paul	5	13.00	-	-	7.00	20.00
Mr. Desh Deepak Khetrapal	NA	11.00	-	-	20.00	31.00
Mrs. Gauri Rasgotra	5	7.50	-	-	7.00	14.50
Mr. Prashant Vishnu Vatkar*	5	-	100.20	-	-	100.20
Mr. Dhirup Roy Choudhary^	5	-	49.21	8.75	-	57.96

* Mr. Prashant Vishnu Vatkar resigned as Managing Director with effect from 20th September, 2016.

^ Mr. Dhirup Roy Choudhary appointed as Managing Director with effect from 16th January, 2017 and re-designated as Managing Director & CEO with effect from 27th April, 2017.

Notes:

1. The Members, at the Annual General Meeting held on 28th July, 2016 approved the payment of remuneration by way of commission to the Non-Executive Directors of the Company, each financial year commencing from 1st April, 2016. All the Non-executive Directors are eligible to receive commission up to a maximum of 1% of profits calculated in accordance with the provisions of Section 197, of the Companies Act 2013, in addition to the sitting fees.
2. The notice period and other terms of appointment of Executive Directors are governed by service rules of the Company.
3. As on 31st March, 2017, none of the Independent Directors hold stock options or shares of the Company.
4. The Non-Executive Independent Directors on the Company's Board, apart from receiving sitting fees and commission if any, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries or associate companies.
5. The details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of SEBI LODR Regulations are provided in the Notice convening Annual General Meeting .
6. There are no payments made to Non-Executive Directors apart from sitting fee and Commissions, if any approved by the Board.

3.3 Stakeholders Relationship Committee:

(a) Composition and Meetings

The Stakeholders Relationship Committee comprises of three Independent Non-Executive Directors. During the year under review, four Stakeholders Relationship Committee Meetings were held on 5th May, 2016, 28th July, 2016, 17th October, 2016 and 16th January, 2017. The composition of the Committee and the attendance of each Member of the Committee at the meetings were as follows:

Sl. No.	Name of the Director	Category	No. of Meetings held during the year	No. of Meetings attended during the year
1	Mr. P Vaman Rao	Chairman	4	4
2	Mr. Yash Paul	Member	4	4
3	Mrs. Gauri Rasgotra	Member	4	2

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 LODR 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.

(b) Compliance Officer

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

(c) Shareholders Complaints received and Redressed

During the year 2016-17, 17 queries/requests/ complaints were received from the shareholders under the following heads and the same were duly resolved as per the summary given below:

Nature of Compliant	As on 1st April, 2016	Received during the year	Resolved during the year	As on 31st March, 2017
Non-Receipt of Dividend Warrants	0	8	7	1*
Non-Receipt of Share Certificates on transfer	0	1	1	Nil
Non-Receipt of Annual Report	0	8	8	Nil
Non-Receipt of Exchanged Share/Split Share/ Bonus Share Certificate	NA	NA	NA	NA

*Resolved after 31st March, 2017

3.4 Corporate Social Responsibility (CSR) Committee:

In accordance with Section 135 of the Companies Act, 2013 read along with rules framed thereunder, the Board at its meeting held on 8th May, 2014 considered and constituted the Corporate Social Responsibility (CSR) Committee.

The terms and reference of the Committee are as follows:

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

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

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

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

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

The Corporate Social Responsibility (CSR) Committee comprises of three Non-Executive Directors out of which two are Independent. During the year under review, two Corporate Social Responsibility (CSR) Committee Meetings were held on 28th July, 2016 and 16th January, 2017. The composition of the Corporate Social Responsibility (CSR) Committee and the attendance of each Member of the Committee at the meetings were as follows:

Sl. No.	Name of the Director	Category	No. of Meetings held during the year	No. of Meetings attended during the year
1	Mr. Desh Deepak Khetrapal	Chairman	2	2
2	Mr. Yash Paul	Member	2	2
3	Mrs. Gauri Rasgotra	Member	2	1

3.5 Board Evaluation

The Board of Directors evaluated the annual performance of the Board as a whole, its committees and the directors individually, in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015 in the following manner:

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

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

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

4. General Body Meetings

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

Financial Year Ended	Day	Time
31st March, 2016	28th July, 2016	3.00 PM
31st March, 2015	30th July, 2015	3.00 PM
31st March, 2014	18th July, 2014	3.00 PM

(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 18th July, 2014	None
In the Annual General Meeting held on 30th July, 2015	• To consider and appoint Mr. Prashant Vishnu Vatkar (DIN: 07139685) as a Director of the Company. • To create, offer, issue and allot options under Employee Stock Option Scheme
In the Annual General Meeting held on 28th July, 2016	None

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

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

5. Disclosures:

(a) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI LODR 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 (AS18) has been made in the notes to the Financial Statements.

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

All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2017. A declaration to this effect signed by Managing Director 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 victimisation 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 **www.hil.in**

During the year, there were no Whistle Blower complaints received.

(e) Disclosure of Accounting Treatment

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

(f) CEO/CFO Certification

In terms of requirements of clause 17(8) of SEBI LODR Regulations, Mr. Dhirup Roy Choudhary, Managing Director & CEO and Mr. KR Veerappan, Chief Financial Officer have furnished certificate to the Board in the prescribed format for the year ended 31st March, 2017. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on 27th April, 2017.

(g) Details of Non-Compliance and Penalties:

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

(h) Compliance Certificate of conditions of Corporate Governance:

The Certificate from M/s. S R Batliboi & Associates LLP ICAI Firm Registration No. 10109W/E300004, Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance for the financial year ended 31st March, 2017 forms part of this report.

(i) Prevention of Insider Trading

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

(j) Risk Management

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

6. Means of Communication

- Website: The Company's website **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 **www.hil.in**.
- 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 **www.hil.in**.
- 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.

7. General Shareholder's Information:

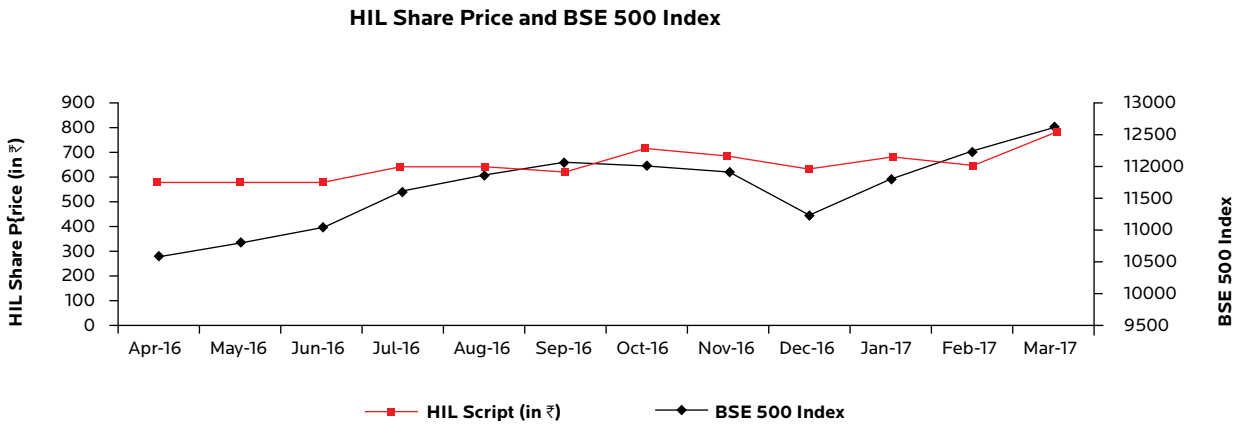
Date, time and Venue of AGM	Tuesday, 18th July, 2017 at 3:00 PM Asbestos Centre, Road No. 13, Banjara Hills, Hyderabad
Financial year	1st April, 2016 to 31st March, 2017
Book Closure	From 12th July, 2017 to 18th July, 2017 (both days inclusive)
Dividend Payment Date	Will be credited/dispatched by 22nd July, 2017 onwards Interim Dividend declared during the year 2016-17 was paid on 30th January, 2017 and 31st January, 2017
Listing on Stock Exchanges	1) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI - 400001 2) National Stock Exchange of India Limited. 'EXCHANGE PLAZA' 5th Floor, Plot #C/1, G-Block, Bandra-Kurla Complex, Bandra (E), MUMBAI – 400051
Stock Code	BSE Limited : 509675 / HIL National Stock Exchange of India Ltd. : HIL
Listing Fees	The Listing fee for the year 2016-17 and 2017-18 has been paid to both the above said Stock Exchanges.
E-voting facility	Open Date : 14th July, 2017 @ 9:00 AM Close Date : 17th July, 2017 @ 5:00 PM
Address for Correspondence	Mr. G Manikandan Company Secretary & Financial Controller HIL Limited, Office 1 & 2, 7th Floor, SLN Terminus, Survey No.: 133, Beside Botanical Gardens, Gachibowli, Hyderabad- 500032. Tel: 91 40 30999000, 30999189 (D) Email: **cs@hil.in**

Market Price Data

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2016-17 at the BSE Limited and the National Stock Exchange of India Limited were given below:

Month	BSE Limited			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-16	589.25	515.00	23101	585.75	513.55	75329	10578.96	9980.36
May-16	575.00	506.00	33851	577.90	504.00	110991	10816.18	10206.43
Jun-16	588.00	510.00	44032	587.10	506.00	131309	11045.33	10479.26
Jul-16	652.00	577.90	127080	653.00	573.30	385892	11633.37	11052.72
Aug-16	643.15	579.00	93037	642.90	577.15	321393	11880.02	11404.92
Sep-16	643.70	596.00	33183	640.00	580.00	171173	12083.11	11552.51
Oct-16	721.00	612.80	96735	717.90	615.00	553016	12032.26	11668.62
Nov-16	700.00	571.00	40953	697.40	576.20	156351	11926.95	10675.77
Dec-16	636.00	582.00	11478	637.90	585.00	66989	11249.6	10617.28
Jan-17	690.00	600.00	132327	689.30	602.60	718383	11825.55	11005.66
Feb-17	668.60	625.00	31948	665.00	625.15	119197	12270.7	11643.62
Mar-17	795.00	623.00	166281	798.00	620.00	669616	12650.57	12101.74

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: 91-40-23868024

Email: **info@vccipl.com**

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

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

Pursuant to Regulation 40 of SEBI LODR Regulations, certificates, on half-yearly basis, have been given by a Practicing Company Secretary duly certifying compliance of share transfer formalities.

Distribution of Equity Shares as on 31st March, 2017

S. No.	Range	No. of Shares	% to Capital	No. of Shareholders	% to Total
1	1 to 500	1108292	14.85	15217	94.35
2	501 to 1000	341219	4.57	440	2.73
3	1001 to 2000	320343	4.29	221	1.37
4	2001 to 3000	215270	2.89	86	0.53
5	3001 to 4000	147592	1.98	41	0.25
6	4001 to 5000	142801	1.91	31	0.19
7	5001 to 10000	313106	4.20	44	0.28
8	More than 10000	4873940	65.31	48	0.30
	TOTAL	**7462563**	**100.00**	**16128**	**100.00**

Shareholding Pattern as on 31st March, 2017

Category of Shareholder	No. of Shares	Percentage
Promoters and Person Acting in Concert	3059212	40.99
Mutual Funds	1079	0.01
Banks, Financial Institutions, Insurance Companies Including A.P. State Govt. & Foreign Body Corporate	451796	6.06
Foreign Institutional Investors/Foreign portfolio investors	185000	2.48
Corporate Bodies	739524	9.91
Indian Public	2911160	39.01
NRI's/OCB's	114792	1.54
TOTAL	**7462563**	**100.00**

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

The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation facility. As on 31st March, 2017 98.38% of the Company's Equity Shares are in dematerialised form.

Locations

S. No	State	Location
Manufacturing Facilities		
1	Telangana	Hyderabad, Sanatnagar - 500018
2	Telangana	Thimmapur, Mahboobnagar District - 509325
3	Andhra Pradesh	Vijayawada, Plot No.289, IDA, Kondapalli - 521228
4	Haryana	Faridabad, Sector-25 – 121005
5	Haryana	Dharuhera, Plot No.31, Rewari District - 122106
6	Haryana	Jhajjar, Amadal Shahpur, Village- Akehri Madanpur, -124146
7	Jharkhand	Jasidih, Industrial Area – 814142
8	Tamil Nadu	Chennai, Kannigaiper Vil., Tiruvallur District -601102
9	Maharashtra	Wada, Musarane Vil., Thane District – 421312
10	Uttar Pradesh	Sathariya, SIDA, Jaunpur District – 222022
11	Kerala	Thrissur, Mulangunnathukavu Post – 680581
12	Odisha	Balasore, IDCO, Plot No. 72, ND Centre, Somanathpur– 756019
13	Gujarat	Golan, Village, Valod Taluka, Tapi District – 394640
Wind Mills		
14	Gujarat	3.60 MW (2x1.80 MW) at Kutch District
15	Tamil Nadu	1.25 MW near Coimbatore, Tirupur District
16	Rajasthan	2.50 MW (2x1.25 MW) at Jodhpur District
17	Rajasthan	2.00 MW at Jaisalmer District

8. Other Information/Requirements:

(a) Financial Calendar

The financial year covers the period starting from 1st April, and ending on 31st March. The tentative dates of meeting of Board of Directors and Audit Committee for consideration of financial results during the financial year ending 31st March, 2018 are as follows:

Board Meeting for consideration of unaudited quarterly results for the financial year 2017-18	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 2017-18	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 2017-18	On or before 30th September, 2018*

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

* Indicative dates and actual date can vary.

(b) Unclaimed Shares

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 ₹14,49,318/- (Final unclaimed dividend –₹9,44,520/- and Interim unclaimed dividend – ₹5,04,798/-) pertaining to unpaid/unclaimed dividend (Final Dividend 2008-09 and Interim Dividend 2009-10) has been transferred to Investor Education and Protection Fund (IEPF) on 06.09.2016 and 07.03.2017.

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
2009-10	Final	21-Jul-10	18-Aug-17
2010-11	Interim	25-Jan-11	22-Feb-18
2010-11	Final	21-Jul-11	18-Aug-18
2011-12	Interim	24-Jan-12	21-Feb-19
2011-12	Final	20-Jul-12	18-Aug-19
2012-13	Interim	24-Jan-13	22-Feb-20
2012-13	Final	30-Jul-13	27-Aug-20
2013-14	Final	18-Jul-14	15-Aug-21
2014-15	Interim	16-Sep-14	14-Oct-21
2014-15	Final	30-Jul-15	22-Aug-22
2015-16	Interim	4-Feb-16	04-Mar-23
2015-16	Final	28-Jul-16	26-Aug-23
2016-17	Interim	16-Jan-17	14-Feb-24

As per the provisions of Section 124 of the Companies Act, 2013 the Company is under process to transfer the shares wherein the dividends are unclaimed for seven consecutive years i.e from Interim Dividend 2009-10 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 2009-10 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.

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

As on 31st March, 2017, a total of 84,200 Options were outstanding (Including Options transferred back to the pool on account of resignations/cessations) under "HIL Employee Stock Option Scheme 2015". Each Option is convertible into one equity share of ₹10/- each. The Company had not issued any GDRs ADRs Warrants etc. during the year 2016-17.

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

During the year 2016-17, 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. The details of foreign currency exposure are disclosed in Note 34(a) of the 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) 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 separate posts for Chairman and CEO.
- Shareholders Rights – As per requirements, the financial results were made available on the Company's website **www.hil.in**.
- Audit Qualifications – There were no qualifications by the Auditors on the financial statements of the Company.
- Reporting of Internal Auditor – The Audit Committee is briefed through discussions and presentations the observations, review, comments, recommendations etc. through Internal Audit presentation by the Internal Auditor of the Company.

On behalf of the Board of Directors

Dhirup Roy Choudhary
Managing Director & CEO
DIN-07707322

Desh Deepak Khetrapal
Director
DIN-02362633

New Delhi
27th April, 2017

Declaration by the Managing Director

I, Dhirup Roy Choudhary, Managing Director, 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 2016-2017.

Dhirup Roy Choudhary
Managing Director
DIN-07707322

Place: New Delhi
Date : 27th April, 2017

Certificate under Regulation 17(8) of SEBI (listing Obligations and Disclosure requirements) Regulations, 2015

A. We have reviewed financial statements along with the cash flow statement of our Company for the financial ended 31st March, 2017 and that to the best of our knowledge and belief we hereby certify that:

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

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

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

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

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

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

   b. Significant changes in accounting policies during the financial year and the same have been disclosed in the notes to the financial statements; and

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

KR Veerappan
Chief Financial Officer

Dhirup Roy Choudhary
Managing Director & CEO
DIN-07707322

Place: New Delhi
Date : 27th April, 2017

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of
HIL Limited

Office 1 & 2, SLN Terminus 7th floor, Near Botanical Garden,
Gachibowli, Hyderabad 500032, Telangana, India

1. The accompanying Corporate Governance Report prepared by HIL Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations")('Applicable criteria') with respect to Corporate Governance for the year ended 31st March, 2017. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. 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.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on 31st March, 2017 and verified that atleast one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following meetings held 1st April, 2016 to 31st March, 2017**:**

      (a) Board of Directors meeting;

      (b) Audit committee;

(c) Nomination and Remuneration cum Compensation committee; and

(d) Stakeholders Relationship Committee;

v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at 31st March, 2017, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report 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.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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per **Vikas Kumar Pansari**
Partner
Membership Number: 093649

Place: New Delhi
Date : 27th April, 2017

Details of Directors as on the date of issuance of Notice of Annual General Meeting

Name	Mr. Desh Deepak Khetrapal	Mr. Dhirup Roy Choudhary
Date of Birth	5th July, 1955	12th October, 1968
Date of Appointment	2nd April, 2012	16th January, 2017
DIN No.	02362633	07707322
Qualification	Honours degree in Business & Economics and Masters degree in Business Administration in Marketing and Finance from the Delhi University	Bachelor of Engineering (Electrical & Electronics) from Birla Institute of Technology
Occupation	Service	Service
Expertise in specific functional areas	Professional business leader with a track record of leading and transforming large and diversified organisations, across various Industries including services, industrials, consumer and retail businesses	Industrialist having rich business experience
Directorships held in other Companies	1. Orient Cement Limited 2. Oriental Bank of Commerce	NIL
Memberships/ Chairmanships of Committees other than HIL Limited	1. Orient Cement Limited ▪ Audit Committee ▪ Stakeholders Relationship Committee ▪ Corporate Social Responsibility Committee ▪ Implementation Committee 2. Oriental Bank of Commerce ▪ IT Strategy Committee of Board ▪ HR Committee of Board ▪ Customer Service Committee of Board ▪ Special Committee of Board for monitoring of Large Value Frauds ▪ Remuneration Committee ▪ Corporate Social Responsibility Committee ▪ Management Committee of Board ▪ Stakeholder Relationship Committee of the Board ▪ Share Issue and Allotment Committee	NIL
Shareholding in the Company	NIL	NIL

Annexure (V): Details of Related Party Transactions

Form No. AOC-2

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

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

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

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

Sl. No.	Name(s) of the related party and nature of relationship (A)	Nature of contracts / arrangements/ transactions (B)	Duration of the contracts / arrangements/ transactions (C)	Salient terms of the contracts or arrangements or transactions including the value, if any (D)	Date(s) of approval by the Board, if any (E)	Amount paid as advances, if any (F)
1	Orient Cement Limited (Director is a Director of the Company and holds more than 2% of the Share Capital)	1. Sale of Goods 2. Reimbursement of maintenance charges 3. Receipt of Rent & property Tax	1st April, 2016 to 31st March, 2017	1. Sale of Goods – ₹30.04 lacs 2. Receipt of Rent & property Tax – ₹61.05 lacs 3. Maintenance – ₹13.12 lacs Total = ₹104.20 lacs	NA	Nil
2	Orient Paper & Industries Limited (Director is a Director of the Company and holds more than 2% of the Share Capital)	1. Reimbursement of maintenance charges 2. Receipt of Rent & property Tax	1st April, 2016 to 31st March, 2017	1. Receipt of Rent & property Tax – ₹38.89 lacs 2. Maintenance – ₹20.96 lacs Total = ₹59.85 lacs	NA	Nil

Sl. No.	Name(s) of the related party and nature of relationship (A)	Nature of contracts / arrangements/ transactions (B)	Duration of the contracts / arrangements/ transactions (C)	Salient terms of the contracts or arrangements or transactions including the value, if any (D)	Date(s) of approval by the Board, if any (E)	Amount paid as advances, if any (F)
3	Orient Electric - Division of Orient Paper & Industries Limited (Director is a Director of the Company and holds more than 2% of the Share Capital)	Purchase of Goods	01-04-2016 to 31-03-2017	Purchase of Goods – ₹11.62 lacs	NA	Nil
4	Cyril Amarchand Mangaldas	Professional Services	01-04-2016 to 31-03-2017	Professional Services - ₹ 2.00 lacs	NA	Nil

Note:

1. As per the provisions of 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 28th July, 2016.

Annexure (VI): Secretarial Audit Report

Form No. MR-3

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

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2017

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 authorised 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 31st March, 2017 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 herein after:

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 31st March, 2017 according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the 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, 2009;

   (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, 1998;

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.

As informed by the management, the Company shall not prepare consolidated financials in respect of its Overseas Joint Venture Company, Supercor Industries Limited incorporated in Nigeria in view of the fact that the Joint venture entity has shut down its operations since November 2015 and is not in a position to prepare its accounts. Also HIL has initiated the process of winding up under the laws of Nigeria. Further the Company has filed application for seeking exemption from consolidation of accounts on the aforesaid grounds with the Registrar of Companies, Andhra Pradesh and Telangana in Eform GNL -1 and the same has been approved by the Registrar of Companies.

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 are carried out unanimously, 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.

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

N Vanitha
Company Secretary
C P No: 10573

Place: Hyderabad
Date : 17th April, 2017

Annexure (VII)

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 : Company does not have any subsidiaries

1. Names of subsidiaries which are yet to commence operations: Not Applicable

2. Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

Part "B": Associates and Joint Ventures

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

	Name of Joint Ventures	**Supercor Industries Limited, Nigeria**
1	▪ Last audited Balance Sheet Date	31st December, 2015
	▪ Latest Balance Sheet	Refer Note no 29 to Notes to Financial Statements.
2	Shares of Joint Ventures held by the company on the year end	
	▪ Number	41,25,000 equity shares of Naira 1/- each
	▪ Amount of Investment in JV	₹142.60 lacs
	▪ Extent of Holding	33%
3	Description of how there is significant influence	There is no significance influence
4	Reason why the associate/joint venture is not consolidated	Refer Note no 29 to Notes to Financial Statements.
5	Net worth attributable to shareholding as per latest Balance Sheet	Refer Note no 29 to Notes to Financial Statements.
6	Profit/Loss for the year	Refer Note no 29 to Notes to Financial Statements.
	▪ Considered in Consolidation	
	▪ Not Considered in Consolidation	

3. Names of associates or joint ventures which are yet to commence operations: Nil

4. Names of associates or joint ventures which have been liquidated or sold during the year : Nil

ANNEXURE (VIII): DISCLOSURE OF ESOSs

Disclosure pursuant to Section 62 of the Companies Act, 2013 read with rules made thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014 regarding stock options.

Sl. No	Description	HIL ESOS 2015
1	Date of Shareholders Approval	30th July, 2015
2	Total number of options granted	84200
3	Vesting Requirements	■ 40% of the Granted Options on completion of 3 years from the date of Grant. ■ 60% of the Granted Options on completion of 4 years from the date of Grant.
4	The pricing formula/Exercise Price	Fair Value and the Options have been granted at 620/- per option (Exercise Price) during the financial year 2015-16.
5	Maximum Term of Options Granted	4 years
6	Options Vested upto 31st March, 2017	Nil
7	Options exercised upto 31st March, 2017	Nil
8	Options lapsed upto 31st March, 2017	50850 Options granted to eligible employees were transferred/lapsed and reverted back into the pool on account of resignation of employee(s).
9	Total number of shares arising as a result of exercise of option	There were no exercise made during the year.
10	Variations of terms of options	Nil
11	Details of options granted to Key Managerial Personnel	Mr. KR Veerappan : 11600
12	Total number of options in force as at 31st March, 2017	33350 granted to Employees and 50850 un-granted lying in the pool.
13	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	■ Mr. V Jayachandran: 11400* ■ Mr. Rajiv Prakash Upadhyay: 10350 *Transferred back to the pool due to demise of the allottee on 8th April, 2017
14	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	N/A
15	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options during the year calculated in accordance with Accounting Standard (AS-20)	The were no shares granted during the year on account of exercise of options granted and Diluted Earning Per Share is ₹73.12

Sl. No	Description	HIL ESOS 2015
16	Where the Company has calculated employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company	The Company has calculated employee compensation cost using the Fair Value.
17	Weighted Average Exercise Price and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock	N/A

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

- Fair value calculated by using Black-Scholes option pricing formula.
- Volatility amount: This is the amount by which stock price is fluctuated or is expected to fluctuate. The method used in the model is the annualised Standard Deviation of the continuously compounded rates of return on the stock.
- Risk free interest rate: The yield on government securities at the time of grant of options, is the basis of this rate and has been taken as 7.34%.
- Expected Life: The exercise period given for the option granted is 4 years from date of vesting.
- Expected Dividend: As the stock prices for one year have been considered, the price movement on account of the dividend, is already factored in and hence not separately built in.

Annexure (IX)

Details pertaining to remuneration as required u/s 197(12) of The Companies Act, 2013 read with rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2016-17, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No	Name of the Director/KMP (Designation)	Remuneration for FY 2016-17 & (₹ in lacs)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2016-17
1	Mr. CK Birla (Chairman)	34.00	9.80	19%
2	Mr. P Vaman Rao (Independent Director)	17.00	4.90	26%
3	Mr. Yash Paul (Independent Director)	20.00	5.76	11%
4	Mrs. Gauri Rasgotra (Independent Director)	14.50	4.18	-12%
5	Mr. Desh Deepak Khetrapal (Non-Executive Director)	31.00	8.93	15%
6	Mr. Dhirup Roy Choudhary (Managing Director& CEO)^	49.21	NA^	NA^
7	Mr. Prashant Vishnu Vatkar (Managing Director)*	129.21	NA*	NA*
8	Mr. KR Veerappan (Chief Financial Officer)	117.34	33.82	1%
9	Mr. G Manikandan (Company Secretary & Financial Controller)	40.66	11.72	NA@

^ Details not provided as Mr. Dhirup Roy Choudhary was appointed as a Managing Director of the Company w.e.f. 16th January, 2017 and was re-designated as Managing Director & CEO with effect from 27th April, 2017.

* Resigned as Managing Director w.e.f 20th September, 2016

& Includes Sitting Fees and Commission paid for the year 2016-17 for Directors other than Managing Director.

$ Comparison is not given as employed for part of the previous year.

@ Increase in remuneration is not provided, as comparative number relates only to part of the year i.e Mr. G Manikandan was appointed as Company Secretary and Financial Controller w.e.f 19th August, 2015.

2. The median remuneration of employees of the Company during the financial year 2016-17 was ₹3.47 lacs against the median remuneration of ₹2.85 lacs during the previous year signifying an increase of 21.75% in the financial year;

3. As on 31st March, 2017, there were 1501 permanent employees on the rolls of Company;

4. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 10.17% whereas the percentage increase in the managerial remuneration in the preceding financial year i.e. 2015-16 was 10.07%.

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

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

Sl. No	Name & Designation of the employee	Remuneration for FY 2016-17 (₹ in lacs)	Qualification and age (in years)	Date of commencement of employment and total experience (in years)	Last employment
1	Mr. Rajiv Prakash Upadhyay (COO Building Solutions)	119.27	B.E, M.E (Engineering) & GMP (45 yrs)	20th March, 2014 (21 yrs)	Jindal Architecture Ltd
2	Mr. KR Veerappan (Chief Financial Officer)	117.34	B. Com (Hons), ACA (50 yrs)	6th February, 2014 (27 yrs)	Global Green Company Ltd
3	Mr. V Jayachandran (COO Roofing Solutions)	117.28	B. Tech (Electronics) & PGDBM (48 yrs)	1st January, 2014 (24 yrs)	Garuda Foods
4	Mr. T E S Varadhan (Group CFO)	85.98	B. Com, ACA, AICWA (61 yrs)	1st May, 2016 (37 yrs)	Hindustan Motors Ltd
5	Mr. Jhunjhunwala P K (Head-Imports)	66.32	B. Com, FCA (63 yrs)	15th January, 1977 (40 yrs)	NA
6	Mr. Gaurav Kant Bhatnagar (VP Sales-Roofing)	64.44	B. Arts, PGDBM (45 yrs)	20th March, 2014 (27 yrs)	121 Analytics
7	Mr. Vivek Chandra Rao SP (Head - Occupational Health)	51.71	MBBS, PGDM (65yrs)	28th July, 1980 (37yrs)	NA
8	Mr. Dhirup Roy Choudhary (Managing Director & CEO)	49.21	B.E (Electrical & Electronics) MDP (IIM-A) (48yrs)	16th January, 2017 (25 yrs)	Metrod Holding Berhad (Bagri Group of Companies, UK)
9	Mr. Jayakrishnan N K (VP Sales-Dry & Wet Walling Solutions)	43.10	B.E (57 yrs)	8th May, 2000 (33yrs)	ISGEC
10	Mr. D Satyanarayana (Head R&D)	42.25	B.Sc., M.Sc. (53 yrs)	6th October, 2012 (23 yrs)	Kemrock Industries And Exports Limited

& Date of Appointment of Mr. Dhirup Roy Choudhary is 16th Jan 2017 and re-designated as Managing Director & CEO with effect from 27th April, 2017

* Employees who are on rolls as on 31st March, 2017 are shown, for details of employees who resigned, please refer below.

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

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

S. No	Name & Designation of the employee	Remuneration for FY 2016-17 (₹ in lacs)	Qualification and age (in years)	Date of commencement of employment/ cessation and total experience (in years)	Last employment
1	Mr. Prashant Vishnu Vatkar Managing Director	129.21	B. E (Mechanical), PGDM (50 yrs)	20-Sep-15^ (25 yrs)	Strategic Foods Co. LLC (Britannia India Ltd)
2	Mr. Alok Jain COO (APP)	54.56	B. Tech (Chemical) & PGPM (37 yrs)	09-Aug-2016^ (15 yrs)	Bharat Forge Ltd

^ Date of Relieving of Mr. Prashant Vishnu Vatkar is 20th September, 2016 and date of relieving for Mr. Alok Jain is 9th August, 2016.

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

Notes:

1. All appointments of the employees referred in 10 above are contractual and terminable by notice on either side.
2. Remuneration includes salary, variable pay paid during the financial year, various allowances, contribution to provident fund and superannuation fund, taxable value of perks and gratuity paid but excluding sitting fees and gratuity provision.
3. None of the employees mentioned above is related to any director of the Company.
4. Information about qualifications, age, experience and last employment is based on particulars furnished by the concerned employee and has not been independently verified by the Company.

Annexure (X)

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

A Conservation of energy

I. Steps taken for conservation of energy:

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

II. Steps taken for utilising alternate sources of energy:

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

III. Capital investment on energy conservation equipment: ₹7.05 lacs.

B Technology absorption

I. Efforts made towards technology absorption:

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

a. Filing two patent applications in India this financial year. The patents are entitled "A process for manufacturing of microbial resistance weather proof coated asbestos fiber cement corrugated roofing sheets" and "Development of eco-friendly water resistant Magnesium oxychloride cement based corrugated roofing sheets"

b. Developed the technology to use 4% dry waste in corrugated sheets without affecting the quality

c. Commercialised weather proof technology meeting the requirement of ASTM G 29 Zero rating.

d. Developed non asbestos panels properties like mechanical, thermal, fire performance and fire rating similar to Asbestos panels.

e. Developed cost effective formulations for dry mix products like thin bed mortar, ready mix plaster and putty.

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

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

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

i. Effective utilisation of resources like energy, water and process waste materials.

j. Developing new applications for our existing products.

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

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

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

c. Applying new patent increased the intellectual rights.

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

IV. Expenditure incurred on Research and Development:

(₹ in lacs)

Particulars	2016-17
Capital	5.86
Recurring	280.56
Total	**286.42**
Total R&D expenditure as a Percentage of total net turnover	**0.27%**

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:

(₹ in lacs)

Particulars	2016-17
A Foreign Exchange Earned	
Export of Goods (FOB)	495.85
Others	0
Total	**495.85**
B Foreign Exchange Used	
Raw Materials, Components, Spares and Capital Goods (CIF)	15155.70
Others	56.55
Total	**15212.24**

Independent auditor's report

To the Members of HIL Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of HIL Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the 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 31st March, 2017, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

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

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

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and

(g) With respect to the other matters to be included in the Auditor's 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 on its financial position in its financial statements – Refer note 33 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;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company; and

iv. The Company has provided requisite disclosures in note 16 to these standalone financial statements as to the holding of Specified Bank Notes on 8th November, 2016 and 30th December, 2016 as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

For **S.R.BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

Per **Vikas Kumar Pansari**
Partner
Membership No.093649

Place : New Delhi
Date : 27th April, 2017

Annexure 1

Referred to in paragraph 1 of our report of even date

Re: HIL Limited ('The Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management the title deeds of immovable properties included in fixed assets and investment property are held in the name of the Company except freehold land and investment property of ₹ 1.27 lacs and ₹ 427.60 lacs (WDV) respectively, title of which is not registered in the name of the Company. Also refer note 10 and 11A of the financial statements.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Building products, thermal insulation products and generation of wind power 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) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty , excise duty, value added tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, custom duty, exciseduty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which amount relates	Forum where dispute is pending
Tamil Nadu General Sales Tax Act, 1959 and Central Sales Tax Act, 1956	Sales tax on enhanced turnover due to certain disal-lowance	316.65*	1990-91, 1994-95, 1997-98, 2000-01, 2001–02, 2002–03, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12	Hon'ble Supreme Court of India, Hon'ble High Court of Tamil Nadu, Sales Tax Appellate Tribunal, Appellate Assistant Commissioner

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act, 1957	Disallowance of concessional rate of tax	446.35*	1985 - 86, 2010 – 11, 2011-12	Hon'ble High Court of Telengana and Andhra Pradesh, Appellate Deputy Commissioner
West Bengal Sales Tax Act, 1994 and Central Sales Tax Act, 1956	Sales tax demand	265.27	2001 - 02, 2002 - 03, 2003 - 04, 2004 - 05, 2005 - 06, 2007 – 08	Hon'ble High Court of West Bengal, West Bengal Appellate and revisional Board, Senior Joint Commissioner, Sales tax Appellate Tribunal
Bihar Finance Act, 1981	Local sales tax demand	140.05	2000 - 01, 2009 – 10	Joint Commissioner of Commercial taxes (Appeals), Commissioner of commercial taxes
	Demand of entry tax	28.57	2003-04	Assistant Commissioner of Commercial Taxes
	Sales tax demand	28.04	2002 - 03, 2003 - 04, 2004 - 05, 2005 – 06	Deputy Commissioner, Joint Commissioner, Commissioner of Commercial Taxes
Entry Tax of Goods Act, 1930	Demand for entry tax including interest	74.42*	2007 – 08	Hon'ble Supreme Court of India
Other States / Central Sales Tax Acts	Local sales tax demand, freight rebate disallowed, entry tax on stock transfers and miscellaneous disallowance	469.76*	1993 - 94, 1997 - 98, 1999 - 00, 2000 - 01, 2001 - 02, 2002 - 03, 2004 - 05, 2005 - 06, 2006 - 07, 2007 - 08, 2008 - 09, 2009 - 10, 2010 – 11, 2011 – 12, 2012 – 13	Hon'ble Supreme Court of India, Hon'ble High Court of Rajasthan, Appellate Tribunal, Commissioner of Commercial Taxes, Additional Commissioner (Appeals), Deputy Commissioner (Revision), Deputy Commissioner (Appeals), Joint Commissioner (Appeals), Joint Commissioner, Additional Commissioner, Assistant Commissioner (Appeals), Joint Director Enforcement, Jt. Commissioner of Commercial taxes
Other States like Jharkhand, Maharashtra and Orissa under Central Sales Tax Act, 1956	Sales tax demand	1386.33*	2007 - 08, 2008 - 09 , 2009 - 10, 2010 - 11, 2011 - 12	Commissioner of Commercial Taxes, Deputy Commissioner (Revision), Addl. Commissioner (Appeals)
Maharastra VAT Act 2002 and Central Sales Tax Act 1956	Sales Tax on enhanced turnover due to certain disallowance, Disallowance of Concessional Sales Tax Rate	74.93*	2006-07, 2007-08, 2009-10, 2010-11, 2011-12	Joint Commissioner of Commercial taxes (Appeals)

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty demand due to certain disallowance and wrong availment of CENVAT including penalty	1663.33*	2003 - 04, 2004 - 05, 2005 - 06, 2006 - 07, 2007 - 08, 2008 - 09, 2009 - 10, 2010 - 11, 2011 - 12, 2012 - 13, 2013 – 14, 2014 - 15	Assistant Commissioner, Joint Commissioner, Additional Commissioner, Appellate Tribunal, Commissioner (Appeals), Customs Excise & Service Tax Appellate Tribunal, Commissioner of Customs & Central Excise
	Excise duty demand including penalty	1040.32*	April 2004 - July 2009	Customs Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax demand	1815.22*	2005- 06, 2008-09, 2009-10, 2010- 11, 2011-12, 2012-13	Hon'ble High Court of Telangana and Andhra Pradesh, Income tax Appellate Tribunal, CIT(Appeals)
	Wealth tax demand	56.98	1993 - 94, 1994 - 95, 1995 - 96, 1996 - 97, 1997 - 98	Hon'ble High Court of Telangana and Andhra Pradesh

* net of ₹ 92.45 lacs, ₹182.44 lacs, ₹36.14 lacs, ₹ 145.55 lacs, ₹ 133.09 lacs, ₹13.50 lacs, ₹ 93.47 lacs, ₹ 17.51 lacs and ₹ 758.01 lacs respectively paid under protest / adjustable against refunds.

(viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government and repayment in the nature of loan to government in the nature of sales tax loan.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R.BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

Per **Vikas Kumar Pansari**
Partner
Membership No.093649

Place : New Delhi
Date : 27th April, 2017

Annexure 2

To the Independent Auditor's Report of even date on the Standalone Financial Statements of HIL Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of HIL Limited

We have audited the internal financial controls over financial reporting of HIL Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting 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.

For **S.R.BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

Per **Vikas Kumar Pansari**
Partner
Membership No.093649

Place : New Delhi
Date : 27th April, 2017

Balance Sheet

As at 31st March, 2017

₹ in lacs

	Notes	31st March, 2017	31st March, 2016
Equity and Liabilities			
Shareholders' funds			
Share capital	3	748.98	748.98
Reserves and surplus	4	49392.32	45257.71
		50141.30	**46006.69**
Non-current liabilities			
Long-term borrowings	5	5897.02	6983.41
Deferred tax liabilities (net)	6	4432.59	4621.64
Long-term provisions	7	436.15	571.77
		10765.76	**12176.82**
Current liabilities			
Short-term borrowings	8	210.26	7705.06
Trade payable	9		
Total outstanding dues of micro and small enterprise		6.01	1.63
Total outstanding dues of creditors other than micro and small enterprise		14648.51	12514.25
Other current liabilities	9	10901.98	10362.55
Short-term provisions	7	899.47	1877.00
		26666.23	**32460.49**
Total		**87573.29**	**90644.00**
Assets			
Non-current assets			
Property, plant and equipment			
Tangible assets	10	47771.40	50062.66
Intangible assets	10	411.25	458.95
Capital work-in-progress		686.00	1098.69
		48868.65	**51620.30**
Non-current investments	11A	2297.31	852.48
Long-term loans and advances	12	1826.97	1668.91
Trade receivables	15	9.23	10.23
Other assets	13	18.11	50.11
		4151.62	**2581.73**
Current assets			
Current investments	11B	1803.77	-
Inventories	14	20620.45	22238.86
Trade receivables	15	8636.82	10131.77
Cash and bank balances	16	996.81	403.70
Short-term loans and advances	12	2399.48	3536.82
Other assets	13	95.69	130.82
		34553.02	**36441.97**
Total		**87573.29**	**90644.00**
Summary of significant accounting policies.	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S.R.BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

Per Vikas Kumar Pansari
Partner
Membership No.093649

Place: New Delhi
Date : 27th April, 2017

For and on behalf of the Board of Directors

Dhirup Roy Choudhary
Managing Director & CEO
DIN : 07707322

KR Veerappan
Chief Financial Officer

Desh Deepak Khetrapal
Director
DIN : 02362633

G. Manikandan
Company Secretary &
Financial Controller

Statement of Profit and Loss

for the year ended 31st March, 2017

₹ in lacs

	Notes	2016-17	2015-16
Income			
Revenue from operations (gross)	17	117987.36	122939.37
Less: excise duty		12628.71	13311.66
Revenue from operations (net)		**105358.65**	**109627.71**
Other income	18	2427.99	1221.81
Total revenue (I)		**107786.64**	**110849.52**
Expenses			
Cost of raw material consumed	19	51659.78	58115.63
Purchase of traded goods	20	5231.89	4379.09
Decrease/(Increase) in inventories of finished goods, work-in-progress and traded goods	20	82.42	(105.19)
Employee benefits expense	21	12018.75	11410.67
Other expenses	22	26149.80	25876.95
Depreciation and amortisation expense	23	4095.17	3974.39
Finance costs	24	518.19	917.41
Exceptional items	43	688.05	275.57
Total expenses (II)		**100444.05**	**104844.52**
Profit before tax (I-II)		7342.59	6005.00
Tax expenses			
Current tax [including credit of taxes for earlier years ₹383.80 lacs (Previous Year : charge of ₹12.05 lacs)]		2075.15	1836.55
MAT Credit entitlement [including charge for earlier years ₹ nil (Previous Year : charge of ₹104.85 lacs)]		-	104.85
Deferred tax (credit)/charge [including charges of taxes for earlier years ₹18.44 lacs (Previous Year: credit of ₹123.10 lacs)]		(189.05)	97.36
Total tax expense		**1886.10**	**2038.76**
Profit for the year		**5456.49**	**3966.24**
Earnings per equity share in ₹ [nominal value of share ₹10/- (Previous Year: ₹10/-]	25		
Basic and Diluted			
Computed on the basis of total profit for the year (in ₹)		73.12	53.15
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For **S.R.BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

Per Vikas Kumar Pansari
Partner
Membership No.093649

Place: New Delhi
Date : 27th April, 2017

For and on behalf of the Board of Directors

Dhirup Roy Choudhary
Managing Director & CEO
DIN : 07707322

KR Veerappan
Chief Financial Officer

Desh Deepak Khetrapal
Director
DIN : 02362633

G. Manikandan
Company Secretary &
Financial Controller

Cash flow statement

for the year ended 31st March, 2017

₹ in lacs

		2016-17	2015-16
A.	**Cash flow from operating activities**		
	Profit before tax	**7342.59**	**6005.00**
	Adjustment to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation expense	4095.17	3974.39
	Rent from long term investment in properties	(581.29)	(543.27)
	Provision for doubtful receivables, advances and other assets (net)	716.43	578.53
	Unspent liabilities, provisions and sundry balances written back (net)	(151.93)	(320.74)
	(Profit)/loss on disposal of fixed assets (net)	(998.32)	69.56
	Unrealized foreign exchange (gain)/loss (net)	(254.03)	95.69
	Employee stock compensation expense	10.29	45.34
	Interest expense	518.19	917.41
	Interest income	(40.76)	(48.00)
	Dividend income	(119.37)	(20.71)
	Operating profit before working capital changes	**10536.97**	**10753.20**
	Movements in working capital :		
	Increase / (Decrease) in trade payables	2505.40	(1373.76)
	(Decrease) / Increase in long-term provisions	(135.62)	109.76
	Increase in short-term provisions	152.54	48.82
	Increase in other current liabilities	743.06	269.81
	Decrease / (Increase) in trade receivables	1019.41	(3510.63)
	Decrease / (Increase) in inventories	1618.41	(199.56)
	(Increase) in long-term loans and advances	(317.25)	(53.83)
	Decrease / (Increase) in short-term loans and advances	1136.50	(707.79)
	(Increase) in other non-current assets	-	(273.56)
	Decrease in other current assets	25.82	259.30
	Cash generated from operations	**17285.24**	**5321.76**
	Direct taxes paid (net of refunds)	(2226.35)	(1498.67)
	Net cash flow from operating activities (A)	**15058.89**	**3823.09**
B.	**Cash flows used in investing activities**		
	Purchase of fixed assets, including capital advances and capital work in progress	(3558.20)	(6755.41)
	Proceeds from sale of fixed assets	1059.03	319.46
	Proceeds from realization of Inter corporate deposits	-	575.00
	Purchase of current investments	(24469.37)	(4500.00)
	Proceeds from sale/maturity of current investments	22665.60	4500.00
	Interest received	50.07	61.16
	Dividends received	119.37	20.71
	Rent received from long term investment in properties	581.29	543.27
	Net cash flow (used in) investing activities (B)	**(3552.21)**	**(5235.81)**

Cash flow statement

for the year ended 31st March, 2017

		₹ in lacs	
		2016-17	2015-16
C.	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	-	2884.82
	Repayment of long-term borrowings	(1083.67)	(396.31)
	(Repayment) / Proceeds from short-term borrowings (net)	(7494.80)	1220.43
	Interest paid	(519.33)	(918.22)
	Dividend paid on equity shares	(1493.93)	(1296.08)
	Tax on equity dividend paid	(303.84)	(265.91)
	Net cash flow (used in)/ from financing activities (C)	**(10895.57)**	**1228.73**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**611.11**	**(183.99)**
	Cash and cash equivalents at the beginning of the year	385.70	569.69
	Cash and cash equivalents at the end of the year	**996.81**	**385.70**
	Components of cash and cash equivalents		
	Cash on hand	4.63	5.05
	Cheques/ drafts on hand	-	133.73
	With banks		
	- on current account	902.32	155.65
	- unpaid dividend accounts*	89.86	91.27
	Total cash and cash equivalents (note 16)	**996.81**	**385.70**
	Summary of significant accounting policies 2.1		

* The Company can utilize these balances only towards settlement of the respective unpaid dividend.

As per our report of even date

For **S.R.BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

Per Vikas Kumar Pansari
Partner
Membership No.093649

Place: New Delhi
Date : 27th April, 2017

For and on behalf of the Board of Directors

Dhirup Roy Choudhary
Managing Director & CEO
DIN : 07707322

KR Veerappan
Chief Financial Officer

Desh Deepak Khetrapal
Director
DIN : 02362633

G. Manikandan
Company Secretary &
Financial Controller

Notes to financial statements

for the year ended 31st March, 2017

1. Corporate Information

The Company is engaged in the production and distribution of Building products, Thermal insulation products (Refractories) and generation of Wind Power. Building products includes Fibre Cement Sheets, Aerocon Panels, Fly Ash Bricks (AAC), Material Handling and Processing Plant and Equipment, Advanced Polymer Products and Coloured Steel Sheets. The Company presently has manufacturing facilities at Hyderabad, Faridabad, Jasidih, Dharuhera, Thimmapur, Jhajjar, Kondapalli, Chennai, Thrissur, Wada, Sathariya, Balasore and Golan. The Wind Turbine Generators has been setup in Gujarat, Tamil Nadu and Rajasthan.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for change in accounting policy explained below.

2.1 Summary of significant accounting policies

a. Change in accounting policies

(i) Accounting for assets earlier carried at revalued amount

On 31st December, 1983, the Company had revalued all its freehold land, leasehold land and building pertaining to certain units existing as on that date. These were carried at revalued amount under pre-revised AS10. Under AS10 (R), The Company has applied cost model on all the items of fixed assets. As per the transitional provision under AS10(R), where a Company does not adopt the revaluation model as its accounting policy but the carrying amount of items of fixed assets reflects any previous revaluation, the Company should adjust the amount outstanding in the revaluation reserve against the carrying amount of the that item. However, the carrying amount of that item should not be less than residual value. Any excess of the amount outstanding as revaluation reserve over the carrying amount of that item should be adjusted in revenue reserve.

Accordingly, the Company has adjusted the balance of revaluation reserve against freehold land, leasehold land and building, resulting in reduction in freehold land, leasehold land and building and revaluation reserve by ₹433.99 lacs. This has resulted in reduction of depreciation by ₹3.41 lacs, with a consequential impact of profit for the year. "

(ii) Accounting for proposed dividend

As per the requirement of pre-revised AS4, the Company used to create a liability for dividend proposed/declared after the balance sheet date if dividend related to period covered by the financial statements. Going forward, as per AS4(R), the Company cannot create provision for dividend proposed/declared after the balance sheet date unless statute requires otherwise. Rather, Company will need to disclose the same in notes to the financial statement. Accordingly, the Company has disclosed dividend proposed by Board of Directors after the balance sheet date in the notes.

Had the Company continued with creation of provision for proposed dividend, its Surplus in the statement of profit and loss account would have been lower by ₹746.26 lacs and current provision would have been higher by ₹898.18 Lacs (including dividend distribution tax of ₹151.92 lacs).

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the

Notes to financial statements

for the year ended 31st March, 2017

end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Property, plant and equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d. Depreciation on Property, plant and equipment

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which are equal to the life prescribed under the Schedule II to the Companies Act, 2013, except for following assets mentioned below which is based on technical evaluation and past experience.

Continuous process plant: 19 years as against 25 years
Certain moulds and dies: 6 / 9 years as against 8 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.

e. Intangible assets

Computer software

Costs relating to software, which are acquired, are capitalized and amortized on a straight-line basis over their useful lives of five years.

f. Leases

Where the Company is a lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life mentioned in Schedule II to the Companies Act, 2013, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life mentioned in Schedule II to the Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Notes to financial statements

for the year ended 31st March, 2017

Where the Company is a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

g. Borrowing costs

Borrowing costs includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h. Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are 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 asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

i. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Notes to financial statements

for the year ended 31st March, 2017

j. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Investment property

An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the Company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalization 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 are equal to life prescribed in Schedule II of the Companies Act, 2013.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k. Inventories

Raw materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a transaction moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress, traded goods and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

l. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is

Notes to financial statements

for the year ended 31st March, 2017

included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

m. Foreign currency translation

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange difference

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

iv. Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

n. Retirement and other employee benefits

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.

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.

The Company treats accumulated leave, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

o. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Notes to financial statements

for the year ended 31st March, 2017

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, entire deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified year. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

p. Segment reporting policies

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Unallocated items

The unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

q. Indirect expenditure incurred on new projects under construction and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction cost to the extent to which the expenditure is directly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss. Income earned during construction period is deducted from the total of the indirect expenditure.

Notes to financial statements

for the year ended 31st March, 2017

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

r. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

s. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

t. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that can't be recognised because it can't be measured reliably. The Company does not recognise the contingent liability but disclose its existence in its financial statements.

u. Cash and cash equivalents

Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

v. Derivative instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

w. Research and development

Revenue expenditure on research and development is charged to revenue in the year in which it is incurred. Capital expenditure on research and development is added to fixed assets and are depreciated in accordance with policies of the Company.

x. Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share Based Payments Plans, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense, if any, is amortized over the vesting period of the option on a straight line basis.

Notes to financial statements

for the year ended 31st March, 2017

3. Share capital

₹ in lacs

	31st March, 2017	31st March, 2016
Authorized shares		
9500000 (Previous Year: 9500000) Equity Shares of ₹10 each	950.00	950.00
50000 (Previous Year: 50000) Preference Shares of ₹100 each	50.00	50.00
Issued, subscribed and fully paid-up shares		
7462563 (Previous Year: 7462563) Equity Shares of ₹10 each fully paid-up	746.26	746.26
Forfeited Shares (amount originally paid-up)	2.72	2.72
Total issued, subscribed and fully paid-up share capital	**748.98**	**748.98**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31st March, 2017		31st March, 2016	
	No.	₹ in lacs	No.	₹ in lacs
At the beginning of the year	7462563	748.98	7462563	748.98
Outstanding at the end of the year	7462563	748.98	7462563	748.98

(b) Terms/rights attached to 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.

During the year ended 31st March, 2017, the amount of dividend per share recognized as distributions to equity shareholders is ₹10/-, including interim dividend of ₹10/- (Previous Year: ₹17.50/-, including interim dividend of ₹7.50/-).

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.

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31st March, 2017		31st March, 2016	
	No.	% Holding	No.	% Holding
Central India Industries Limited	1074634	14.40	1074634	14.40
Orient Paper and Industries Limited	906360	12.15	906360	12.15

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to financial statements

for the year ended 31st March, 2017

3. Share capital (Contd..)

(d) Shares reserved for issue under Option

For details of shares reserved for issue under Employee Stock Option (ESOP) plan of the Company, refer note 37.

(e) Proposed dividend on Equity Shares (refer note 2.1(a)(ii))

The Board of Directors have proposed dividend on equity shares after the balance sheet date i.e. 31st March, 2017. The amount of dividend proposed is ₹10/ per share aggregating to ₹898.18 lacs (including dividend distribution tax of ₹151.92 lacs), which is not accrued.

4. Reserves and surplus

		₹ in lacs
	31st March, 2017	31st March, 2016
Capital redemption reserve	**35.00**	**35.00**
Securities premium account	**624.95**	**624.95**
Revaluation reserve (arising on revaluation of property, plant and equipment)		
Balance as per the last financial statement	433.99	433.99
Less: Amount adjusted against freehold land, leasehold land and buildings pursuant to applicability of AS10 (R) (refer note 2.1(a)(i))	433.99	-
Closing balance	**-**	**433.99**
General reserve		
Balance as per the last financial statement	37100.00	36100.00
Add: Amount transferred from surplus balance in the statement of profit and loss	1000.00	1000.00
Closing balance	**38100.00**	**37100.00**
Employees stock option outstanding		
Balance as per the last financial statement	45.34	-
Add: Compensation options granted during the year	10.29	45.34
Closing balance	**55.63**	**45.34**
Surplus in the statement of profit and loss		
Balance as per the last financial statement	7018.43	5624.02
Profit for the year	5456.49	3966.24
Less: Appropriations		
Interim dividend on equity shares (amount per share ₹10/- (Previous Year: ₹7.50/-))	(746.26)	(559.69)
Proposed final equity dividend (refer note 2.1(a)(ii) (Previous Year: ₹10/-))	-	(746.26)
Corporate dividend tax on equity shares	(151.92)	(265.88)
Transfer to general reserve	(1000.00)	(1000.00)
Total appropriations	(1898.18)	(2571.83)
Net surplus in the statement of profit and loss	**10576.74**	**7018.43**
Total reserves and surplus	**49392.32**	**45257.71**

Notes to financial statements

for the year ended 31st March, 2017

5. Long-term borrowings

₹ in lacs

	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Other loans				
Interest Free Sales Tax Loan from a financial institution (secured) [refer note (a) below]	5519.81	6311.81	792.00	728.00
Deferred Sales Tax Loan (unsecured) [refer note (b) below]	377.21	671.60	294.41	355.69
	5897.02	**6983.41**	**1086.41**	**1083.69**
The above amount includes				
Secured borrowings	5519.81	6311.81	792.00	728.00
Unsecured borrowings	377.21	671.60	294.41	355.69
Amount disclosed under "Other current liabilities" (refer note 9)	-	-	(1086.41)	(1083.69)
	5897.02	**6983.41**	**-**	**-**

a) Interest free sales tax loan from a financial institution is secured by way of first charge on the entire assets of the Sathariya Unit, Corporate Office Building situated at Gachibowli, Hyderabad and Balasore Unit of the Company, both present and future, repayable after 7 years from the date of disbursement. Accordingly ₹792 lacs is due in March 2018, ₹606.72 lacs is due in July 2019, ₹920.74 lacs is due in November 2019, ₹1107.53 lacs is due in March 2022, ₹1084.06 lacs is due in June 2022 and ₹1800.76 lacs is due in December 2022.

b) Deferred Sales Tax loan was sanctioned towards the sales tax dues relating to Thimmapur, Kondapalli and Chennai unit. The loans are interest free and repayable at the end of 7 years from the month of deferral. The repayment of the deferral scheme has already commenced for all Units. The last installment is due during 2017-18 for Chennai & Kondapalli and during 2023-24 for Thimmapur . The yearly repayment varies from ₹5 lacs to ₹400 lacs due to varying amount of availment in the earlier years as per deferral scheme.

6. Deferred tax liabilities (net)

₹ in lacs

	31st March, 2017	31st March, 2016
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	6670.26	6170.13
Gross deferred tax liabilities	**6670.26**	**6170.13**
Deferred tax assets		
Impact of expenditure debited to statement of profit and loss but allowable for tax purposes on payment basis	1092.83	775.40
Provision for doubtful receivables, advances and other assets	826.44	578.46
Voluntary early retirement scheme	318.40	194.63
Gross deferred tax assets	**2237.67**	**1548.49**
Deferred tax liabilities (net)	**4432.59**	**4621.64**

Notes to financial statements

for the year ended 31st March, 2017

7. Provisions

₹ in lacs

	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Provision for employee benefits				
Provision for gratuity (refer note 26)	436.15	571.77	25.69	19.33
Provision for leave benefits	-	-	428.64	269.88
	436.15	**571.77**	**454.33**	**289.21**
Other provisions				
Provision for employee related other costs (refer note 36)	-	-	88.11	100.69
Provision for income tax (net of advance income tax)	-	-	357.03	588.92
Proposed final dividend (refer note 2.1(a)(ii))	-	-	-	746.26
Provision for tax on proposed final dividend (refer note 2.1(a)(ii))	-	-	-	151.92
	-	**-**	**445.14**	**1587.79**
	436.15	**571.77**	**899.47**	**1877.00**

8. Short-term borrowings

₹ in lacs

	31st March, 2017	31st March, 2016
Secured		
From banks [refer note (a) below]	-	6632.69
From others	210.26	303.30
Unsecured		
Buyers credit from banks [refer note (b) below]	-	769.07
	210.26	**7705.06**
The above amount includes		
Secured borrowings	210.26	6935.99
Unsecured borrowings	-	769.07
	210.26	**7705.06**

a) Cash credit facilities and demand loan from banks are secured by hypothecation of inventories and book debts and are further secured by second equitable mortgage of the Company's immovable properties and hypothecation of other Property, plant and equipment, both present and future, other than assets exclusively charged in favour of a Financial Institution for Interest Free Sales Tax Loan as disclosed in note 5. These borrowings carries interest @9.50% to 11.80% p.a.

b) Buyers credit carries interest @ 0.53% to 1.22% p.a.

Notes to financial statements

for the year ended 31st March, 2017

9. Trade payable and other current liabilities

₹ in lacs

	31st March, 2017	31st March, 2016
Trade payables #		
Total outstanding dues of micro and small entrerprise (refer note 35 for details of dues to micro and small enterprises)	6.01	1.63
Total outstanding dues of creditors other than micro and small entrerprise	14648.51	12514.25
Other current liabilities		
Current maturities of long-term borrowings (refer note 5)	1086.41	1083.69
Interest accrued but not due on borrowings	-	1.14
Capital creditors (refer note 35 for details of dues to micro and small enterprises)	322.45	480.95
Advances from customers	1402.25	1291.94
Unclaimed dividend (statutory liabilities as referred in Section 125 of Companies Act, 2013 to be transferred to Investor Education and Protection Fund as and when due)	89.86	91.27
Others		
Sundry deposits	4763.00	4671.09
Other statutory liabilities	3238.01	2742.47
	10901.98	**10362.55**
# (refer note 31 (d)(ii))		

10.Property, plant and equipment

₹ in lacs

Particulars	Freehold Land	Leasehold Land	Buildings	Railway Sidings	Plant and Machinery	Furniture and Fittings	Office Equipments	Vehicles	Total Tangible Assets	Intangible Assets-Softwares	Grand Total
A. Gross Block											
As at March 31, 2015	2513.05	1227.58	15947.38	12.75	50187.86	670.18	496.32	359.15	71414.27	819.68	72233.95
Additions	1.75	4.00	1544.25	-	4827.87	18.82	16.96	30.95	6444.60	345.24	6789.84
Disposals	(3.00)	(162.10)	(8.89)	-	(509.33)	(0.55)	(0.69)	(38.43)	(722.99)	(162.65)	(885.64)
As at 31st March, 2016	**2511.80**	**1069.48**	**17482.74**	**12.75**	**54506.40**	**688.45**	**512.59**	**351.67**	**77135.88**	**1002.27**	**78138.15**
Additions	-	-	1099.95	-	2415.28	22.64	24.53	56.72	3619.12	76.62	3695.74
Disposals	-	-	(30.26)	-	(189.77)	(0.98)	(3.49)	(79.91)	(304.41)	-	(304.41)
Adjusted against Revaluation Reserve	(316.19)	(63.93)	(565.11)	-	-	-	-	-	(945.23)	-	(945.23)
Transferred to Investment property	-	-	(1537.54)	-	-	-	-	-	(1537.54)	-	(1537.54)
As at 31st March, 2017	**2195.61**	**1005.55**	**16449.78**	**12.75**	**56731.91**	**710.11**	**533.63**	**328.48**	**77967.82**	**1078.89**	**79046.71**
B. Depreciation/Amortisation											
As at March 31, 2015	-	84.50	3769.91	12.12	19087.61	224.25	255.77	219.83	23653.99	567.56	24221.55
Charge for the year	-	12.10	576.31	-	3014.18	53.32	74.07	46.52	3776.50	115.11	3891.61
Disposals	-	(5.02)	(5.63)	-	(319.51)	(0.54)	(0.43)	(26.14)	(357.27)	(139.35)	(496.62)
As at 31st March, 2016	**-**	**91.58**	**4340.59**	**12.12**	**21782.28**	**277.03**	**329.41**	**240.21**	**27073.22**	**543.32**	**27616.54**
Charge for the year	-	11.57	546.19	-	3206.25	53.31	60.28	34.66	3912.26	124.32	4036.58
Disposals	-	-	(16.69)	-	(175.26)	(0.96)	(1.65)	(49.14)	(243.70)	-	(243.70)
Adjusted against Revaluation Reserve	-	(23.08)	(488.16)	-	-	-	-	-	(511.24)	-	(511.24)
Transferred to Investment property	-	-	(34.12)	-	-	-	-	-	(34.12)	-	(34.12)
As at 31st March, 2017	**-**	**80.07**	**4347.81**	**12.12**	**24813.27**	**329.38**	**388.04**	**225.73**	**30196.42**	**667.64**	**30864.06**
C. Net Block (A-B)											
As at 31st March, 2016	**2511.80**	**977.90**	**13142.15**	**0.63**	**32724.12**	**411.42**	**183.18**	**111.46**	**50062.66**	**458.95**	**50521.61**
As at 31st March, 2017	**2195.61**	**925.48**	**12101.97**	**0.63**	**31918.64**	**380.73**	**145.59**	**102.75**	**47771.40**	**411.25**	**48182.65**

Note:

a) Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad, Freehold Land of the value of ₹1.27 lacs (Previous Year ₹1.27 lacs) is pending for registration in the Company's name.

b) Plant and Machinery of the value of ₹30.60 lacs (Previous Year: ₹30.60 lacs) are held in joint ownership with others.

c) Freehold Land, Leasehold Land and Buildings include ₹nil (Previous Year: ₹945.23 lacs), WDV ₹nil (Previous Year: ₹433.99 lacs) on account of additions on revaluation during the year ended 31st December, 1983 as per valuation carried out by an approved valuer (refer note 2.1(a)(i)).

Notes to financial statements

for the year ended 31st March, 2017

11 A. Non-current investments

		₹ in lacs
	31st March, 2017	31st March, 2016
Investment property (at cost less accumulated depreciation)		
Investment Properties given as an operating lease [refer note (a) below]	2522.26	984.72
Less: Accumulated depreciation	368.85	276.14
Net block	**2153.41**	**708.58**
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Birla Buildings Limited-5000 Equity Shares of ₹10/- each (Previous Year: 5000 Equity Shares of ₹10/- each)	0.80	0.80
Investment in joint ventures		
Supercor Industries Limited, Nigeria - 4125000 Equity Shares of Naira 1/- each (Previous Year: 4125000 Equity Shares of Naira 1/- each)	142.60	142.60
	143.40	**143.40**
Non-trade investments (valued at cost unless stated otherwise)		
Government and trust securities (unquoted) [refer note (b) below]		
7 year National Savings Certificate	0.02	0.02
6 year National Savings Certificate	0.47	0.47
Indira Vikas Patra	0.01	0.01
	0.50	**0.50**
	2297.31	**852.48**
Aggregate amount of unquoted investments	143.90	143.90
Value of investment properties	2153.41	708.58
	2297.31	**852.48**

Note :

a)

(i) The Company alongwith 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 (Previous Year : ₹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. 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. There are no subleases.

b) Government Securities for ₹0.50 lacs (Previous Year : ₹0.50 lacs) lodged with Government Departments.

Notes to financial statements

for the year ended 31st March, 2017

11B. Current investments

₹ in lacs

	31st March, 2017	31st March, 2016
Current investment (at cost or fair value whichever is lower)		
Quoted mutual fund		
45937.68 (Previous year: nil) units of ₹1000 each Reliance Liquid Fund - Treasury Plan - Daily Dividend Option	702.26	-
7681531.313 (Previous year: nil) units of ₹10 each JM High Liquidity Fund - Daily Dividend Option	801.20	-
9998.32 (Previous year: nil) units of ₹1000 each SBI Premier Liquid Fund - Daily Dividend Option	100.31	-
5106.47 (Previous year: nil) units of ₹1000 each Reliance Liquid Fund -Treasury Plan - Growth Option	200.00	-
	1803.77	**-**
Aggregate amount of quoted investments	1803.77	-
Market value of quoted investments	1806.37	-

12. Loans and advances

₹ in lacs

	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Capital advances (A)				
Unsecured, considered good	192.40	75.91	-	-
Security Deposits (B)				
Unsecured, considered good	768.88	767.49	-	-
Doubtful	25.00	25.00	-	-
	793.88	**792.49**	**-**	**-**
Provision for doubtful security deposits	(25.00)	(25.00)	-	-
	768.88	**767.49**	**-**	**-**
Advances recoverable in cash or kind (C)				
Unsecured, considered good	-	-	865.11	1842.39
Doubtful	612.84	417.85	-	-
	612.84	**417.85**	**865.11**	**1842.39**
Provision for doubtful advances	(612.84)	(417.85)	-	-
	-	**-**	**865.11**	**1842.39**
Other loans and advances (unsecured, considered good) (D)				
Advance income-tax (net of provision for taxation)	512.20	592.89	-	-
Prepaid expenses	6.79	9.00	164.15	103.82
Balance with statutory/government authorities	346.70	223.62	1370.22	1590.61
	865.69	**825.51**	**1534.37**	**1694.43**
Total (A+B+C+D)	**1826.97**	**1668.91**	**2399.48**	**3536.82**

Notes to financial statements

for the year ended 31st March, 2017

13. Other assets (unsecured, considered good unless stated otherwise)

₹ in lacs

	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Non-current bank balance (refer note 16)	18.11	0.11	-	-
Others				
Interest accrued on fixed deposits and security deposits	-	-	25.55	34.86
Dividend receivable on investments (refer note 31 (c))	-	-	9.01	9.01
Other Receivables				
Considered good	-	50.00	61.13	86.95
Considered doubtful	426.13	376.13	-	-
	426.13	**426.13**	**61.13**	**86.95**
Provision for doubtful other assets	(426.13)	(376.13)	-	-
	-	**50.00**	**61.13**	**86.95**
	18.11	**50.11**	**95.69**	**130.82**

14. Inventories (valued at lower of cost and net realizable value)

₹ in lacs

	31st March, 2017	31st March, 2016
Raw materials (includes in transit ₹1029.38 lacs (Previous Year: ₹483.53 lacs)) (refer note 19)	6730.34	8251.87
Work-in-progress (refer note 20)	292.05	270.37
Finished goods (refer note 20)	12158.66	12451.26
Traded goods (refer note 20)	637.33	430.53
Stores and spares	802.07	834.83
	20620.45	**22238.86**

Notes to financial statements

for the year ended 31st March, 2017

15. Trade receivables

₹ in lacs

	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	9.23	10.23	19.24	20.16
Unsecured, considered good	-	-	32.27	55.64
Doubtful	496.33	431.62	821.72	495.76
	505.56	**441.85**	**873.23**	**571.56**
Provision for doubtful receivables	(496.33)	(431.62)	(821.72)	(495.76)
	9.23	**10.23**	**51.51**	**75.80**
Other debts				
Secured, considered good	-	-	1930.86	1992.24
Unsecured, considered good	-	-	6654.45	8063.73
Doubtful	-	-	195.01	114.24
	-	**-**	**8780.32**	**10170.21**
Provision for doubtful receivables	-	-	(195.01)	(114.24)
	-	**-**	**8585.31**	**10055.97**
	9.23	**10.23**	**8636.82**	**10131.77**

16. Cash and bank balance

₹ in lacs

	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Cash and cash equivalents				
Balances with banks:				
On current/collection/cash credit accounts	-	-	902.32	155.65
On unpaid dividend account	-	-	89.86	91.27
Cheques/ drafts on hand	-	-	-	133.73
Cash on hand*	-	-	4.63	5.05
	-	**-**	**996.81**	**385.70**
Other bank balances				
Deposits with remaining maturity for more than 12 months	18.00	-	-	-
Deposits with remaining maturity for less than 12 months	-	-	-	18.00
With post office in savings bank account	0.11	0.11	-	-
	18.11	**0.11**	**-**	**18.00**
Amount disclosed under non-current assets (refer note 13)	(18.11)	(0.11)	-	-
	-	-	**996.81**	**403.70**

Notes to financial statements

for the year ended 31st March, 2017

16. Cash and bank balance (Contd..)

*** Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-**

₹ in lacs

	Specified bank notes	Other denomination notes	Totals
Closing cash in hand as on 8th November, 2016	**4.84**	**6.61**	**11.45**
Add:-Permitted receipts	-	14.47	**14.47**
Less:-Permitted payments	-	16.90	**16.90**
Less:-Amount deposited in Banks	4.84	-	**4.84**
Closing cash in hand as on 30th December, 2016	**-**	**4.18**	**4.18**

17. Revenue from operations

₹ in lacs

	2016-17	2015-16
Sale of products		
Finished goods	111936.59	117793.39
Traded goods	5820.06	4813.52
Other operating revenue		
Scrap sales	230.71	332.46
Revenue from operations (gross)	**117987.36**	**122939.37**
Less: Excise duty	12628.71	13311.66
Revenue from operations (net)	**105358.65**	**109627.71**
Detail of products sold and other operating revenue		
Finished goods sold		
1. Fibre cement sheets	75995.56	87337.01
2. Thermal insulation products	2277.81	2288.70
3. Wind power	480.80	443.38
4. Blocks	16093.73	14756.75
5. Others (including scrap sales)	17319.40	13300.01
	112167.30	**118125.85**
Traded goods sold		
1. Fibre cement sheets	2890.28	3560.47
2. Washers/Advance Polymer Products	517.51	516.30
3. Thin bed mortar	2184.46	723.50
4. Others	227.81	13.25
	5820.06	**4813.52**
	117987.36	**122939.37**

Notes to financial statements

for the year ended 31st March, 2017

18. Other income

	₹ in lacs	
	2016-17	2015-16
Interest income on deposits and others	40.76	48.00
Dividend income on current investments	119.37	20.71
Foreign exchange fluctuation (net)	204.20	-
Rent		
Long term investments in properties	581.29	543.27
Others	14.70	17.68
Unspent liabilities, provisions and sundry balances written back (net)	151.93	320.74
Profit on disposal of fixed assets (net)	998.32	-
Profit on sale of materials	176.99	163.08
Miscellaneous receipts	140.43	108.33
	2427.99	**1221.81**

19. Cost of raw material consumed

	₹ in lacs	
	2016-17	2015-16
Inventory at the beginning of the year	8251.87	8509.46
Add: Purchases	50725.98	58576.97
Less: Sale of materials	587.73	718.93
	58390.12	**66367.50**
Less: Inventory at the end of the year	6730.34	8251.87
Cost of raw material consumed	**51659.78**	**58115.63**
Details of raw material consumed		
Fibre	21672.97	27481.65
Cement	13084.94	14989.47
Others	16901.87	15644.51
	51659.78	**58115.63**
Details of inventory		
Fibre	3967.87	6297.86
Cement	226.93	383.22
Others	2535.54	1570.79
	6730.34	**8251.87**

Notes to financial statements

for the year ended 31st March, 2017

20. Decrease/(Increase) in inventories

			₹ in lacs
	2016-17	2015-16	(Increase) / decrease
Inventories at the end of the year			
Finished goods	12158.66	12451.26	292.60
Work-in-progress	292.05	270.37	(21.68)
Traded goods	637.33	430.53	(206.80)
	13088.04	**13152.16**	**64.12**
Inventories at the beginning of the year			
Finished goods	12451.26	12136.41	(314.85)
Work-in-progress	270.37	315.07	44.70
Traded goods	430.53	345.77	(84.76)
	13152.16	**12797.25**	**(354.91)**
	64.12	**(354.91)**	
Add: Stocks of finished goods out of trial run production	18.30	249.72	
	82.42	**(105.19)**	
Details of purchase of traded goods			
1. Fibre cement sheets	3051.44	3485.69	
2. Washers/Advance polymer products	240.16	318.58	
3. Thin bed mortar	1696.42	546.27	
4. Others	243.87	28.55	
	5231.89	**4379.09**	
Details of inventories			
Finished goods			
1. Fibre cement sheets	9919.02	10396.98	
2. Thermal insulation products	142.50	94.91	
3. Others	2097.14	1959.37	
	12158.66	**12451.26**	
Work-in-progress			
1. Thermal insulation products	16.50	58.48	
2. Material handling and processing plant and equipments	65.25	83.57	
3. Others	210.30	128.32	
	292.05	**270.37**	
Traded goods			
1. Fibre cement sheets	404.98	115.74	
2. Washers/Advance polymer products	159.60	180.56	
3. Thin bed mortar	61.66	40.24	
4. Others	11.09	93.99	
	637.33	**430.53**	

Notes to financial statements

for the year ended 31st March, 2017

21. Employee benefits expense

	₹ in lacs	
	2016-17	2015-16
Salaries, wages and bonus	10514.64	9900.40
Gratuity expenses (refer note 26)	241.00	164.92
Contribution to provident fund	395.98	405.08
Contribution to other funds	101.57	142.33
Employee stock compensation expenses (refer note 4)	10.29	45.34
Staff and workmen welfare expenses	755.27	752.60
	12018.75	**11410.67**

22. Other expenses

	₹ in lacs	
	2016-17	2015-16
Consumption of stores and spares	3067.80	2938.42
Packing expenses (net)	570.23	511.15
Repairs and renewals		
Buildings	222.74	160.20
Machinery (excluding stores and spares consumption)	772.60	824.25
General repairs and maintenance	1957.73	1726.04
Power and fuel	5108.70	5172.69
Rent	429.98	410.46
Rates and taxes	553.12	448.71
Excise duty on stocks	257.66	357.12
Insurance (net)	80.80	49.88
Commission on sales	300.47	339.19
Carriage outwards (net)	5587.67	5980.93
Advertisement and sales promotion expenses	1318.16	958.49
Professional, consultancy & legal expenses	1147.17	1101.32
Travelling expenses	1325.72	1490.28
Directors' fee	46.50	41.50
Directors' commission	70.00	62.00
Donations	100.00	-
Loss on sale/discard of fixed assets (net)	-	69.56
Provision for doubtful receivables, advances and other assets (net)	716.43	578.53
Bad debt written off	-	219.84
Less: Provision for doubtful receivables written back	-	(219.84)
		-
Foreign exchange fluctuation (net)	-	289.77
Miscellaneous expenses*	2516.32	2366.46
	26149.80	**25876.95**

Notes to financial statements

for the year ended 31st March, 2017

22. Other expenses (contd..)

			₹ in lacs
	2016-17		2015-16
Payment to auditors (included in miscellaneous expenses)			
As Auditors			
- For statutory audit fee	42.00		38.00
- For tax audit	8.00		8.00
- For quarterly review of accounts	24.00		24.00
In other capacity			
- For Certification, Income tax, Company law matters, etc.	13.75		17.25
Out of pocket expenses	1.07		1.97
	88.82		**89.22**

***Details of CSR expenditure**				
a)	Gross amount required to be spent by the Company during the year		107.81	127.48
b)	Amount spent during the year ended on 31st March, 2017:	In cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	159.78	-	159.78
c)	Amount spent during the year ended on 31st March, 2016:			
i)	Construction/acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	168.28	-	168.28

23. Depreciation and amortisation expense

		₹ in lacs
	2016-17	2015-16
Depreciation of tangible assets (refer note 10)	3912.26	3776.50
Amortisation of intangible assets (refer note 10)	124.32	115.11
Depreciation of investment property	58.59	82.78
	4095.17	**3974.39**

24. Finance costs

		₹ in lacs
	2016-17	2015-16
On short term loans	94.07	470.31
Others	424.12	374.40
Exchange difference to the extent considered as an adjustment to borrowing costs	-	72.70
	518.19	**917.41**

Notes to financial statements

for the year ended 31st March, 2017

25. Earnings per equity share (EPS)

	₹ in lacs	
	2016-17	2015-16
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Profit after tax	5456.49	3966.24
Weighted average number of equity shares in calculating basic and diluted EPS (nos)	7462563	7462563
Basic and Diluted EPS (₹)*	73.12	53.15
* Employee stock options are not considered for calculation of diluted earning per share as it will have an anti-dilutive effect.		

26. Gratuity and other post-employment benefit plans

The Employees' Gratuity Fund Scheme managed by a trust is a defined benefit gratuity plan which is administered through Group Gratuity Scheme with Life Insurance Corporation of India. 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 following tables summaries the components of net benefit expense recognised in the statement of profit and loss, the funded/ non-funded status and amount recognised in the balance sheet for the gratuity plan:

Statement of profit and loss

Net employee benefit expense (recognised as employee benefits expense) in the statement of profit and loss

	₹ in lacs	
	2016-17	2015-16
Current service cost	200.33	236.14
Interest cost on benefit obligation	146.86	137.52
Expected return on plan assets	(111.91)	(111.74)
Net actuarial loss/(gain) recognized in the year	5.72	(97.00)
Net benefit expenses	**241.00**	**164.92**
Actual return on plan assets	**102.18**	**110.81**
Amount recognized in the Balance sheet		
Defined benefit obligation	1700.40	1908.60
Fair value of plan assets	1238.56	1317.50
Plan liability	**461.84**	**591.10**
Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	1908.60	1895.87
Interest cost	146.86	137.52
Current service cost	200.33	236.14
Benefits paid	(561.11)	(265.37)
Actuarial (gains)/losses on obligation	5.72	(95.56)
Closing defined benefit obligation	**1700.40**	**1908.60**

Notes to financial statements

for the year ended 31st March, 2017

26. Gratuity and other post-employment benefit plans (contd..)

₹ in lacs

	2016-17	2015-16
Changes in the fair value of plan assets are as follows		
Opening fair value of plan assets	1317.50	1424.76
Expected return	111.91	111.74
Contributions by employer	170.49	37.63
Benefits paid	(361.34)	(258.07)
Actuarial gain	-	1.44
Closing fair value of plan assets	**1238.56**	**1317.50**

The Company expects to contribute ₹100 lacs (Previous Year : ₹100 lacs) to gratuity fund.
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

₹ in lacs

	2016-17	2015-16
Investments with insurer	100%	100%

The overall expected rate of return on assets is determined based on the actual rate of return during the current year. The principal assumptions used in determining gratuity and leave benefit obligations for the Company's plans are shown below:

₹ in lacs

	2016-17	2015-16
Imputed rate of interest	7.44%	7.70%
Expected rate of return of assets	7.50%	8.50%
Salary rise	8.00%	8.00%
Attrition rate	5%	5%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount for the current and previous four years are as follows:

₹ in lacs

	2016-17	2015-16	2014-15	2013-14	2012-13
Defined benefit obligation	1700.40	1908.60	1895.87	1946.72	2221.46
Plan assets	1238.56	1317.50	1424.76	1568.98	1925.17
Deficit	461.84	591.10	471.11	377.74	296.29
Experience adjustments on plan liabilities	(28.74)	92.97	40.26	(116.06)	(141.23)
Experience adjustments on plan assets	-	1.44	18.07	10.67	29.90

Notes to financial statements

for the year ended 31st March, 2017

26. Gratuity and other post-employment benefit plans (contd..)

		₹ in lacs
	2016-17	2015-16
Defined Contribution Plan		
Contribution to Provident Fund	395.98	405.08
Contribution to Superannuation Fund	37.07	70.06

27. Expenditure during construction period (included in capital work in progress)

		₹ in lacs
	2016-17	2015-16
Balance brought forward	-	14.11
Expenditure incurred during the year		
Raw material consumed	39.29	260.23
Salaries, wages and bonus	2.19	9.66
Staff and workmen welfare expenses	0.24	1.23
Consumption of stores and spares	1.46	16.81
Repairs and renewals		
Machinery (excluding stores and spares consumption)	-	3.59
General repairs and maintenance	-	9.07
Power and fuel	2.65	47.43
Rent	1.20	1.96
Miscellaneous expenses	12.55	42.66
Total expenditure during construction period	**59.58**	**392.64**
Less: Turnover (net of excise duty collected ₹2.11 lacs, Previous Year: ₹9.30 lacs)	19.64	65.15
Less : Stocks of finished goods out of trial run production	18.30	249.72
Total	**21.64**	**91.88**
Allocated to fixed assets	21.64	91.88
Balance carried forward	-	-

28. Expenditure incurred on research and development

Revenue expenditure debited to respective heads of account includes expenditure incurred on Research and Development during the year amounting to ₹280.56 lacs (Previous Year: ₹285.65 lacs) and assets/ equipments purchased for research activities of ₹5.86 lacs (Previous Year: ₹6.93 lacs) disclosed under Property, plant and equipment.

Notes to financial statements

for the year ended 31st March, 2017

29. Interest in Joint Venture Company

a) 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 (SIL)	Nigeria	33%	31st December, 2016	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 31st December, 2016 and 2015 are as follows:

		₹ in lacs
	December 2016	December 2015
Assets	(Unaudited)*	(Audited)
Fixed assets (net block)	-	215.37
Capital Work in Progress	-	118.20
Inventories	-	66.70
Trade receivables	-	21.41
Cash and bank balances	-	4.47
Other current assets, loans and advances	-	41.94
Liabilities		
Current liabilities and provisions	-	361.67
Deferred tax liabilities	-	37.71
Income		
Sales	-	339.21
Other income	-	27.79
Expenses		
Raw materials consumed	-	220.70
Manufacturing and Other expenses	-	297.42
Interest and Financial charges	-	13.35
Depreciation	-	19.41
Provision for tax	-	-
Proposed dividend	-	-
Contingent liabilities	-	-
Capital commitments	-	-

*data not available refer note (b) below

b) The Company holds 33% stake in Supercor Industries Limited (" Supercor") and its investment in Supercor as at 31st March, 2017 amounts to ₹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 offices 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 prepare consolidated financial statements as required under section 129(3) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. To this effect, the Company has made applications to the Ministry of Corporate Affairs on 14th February, 2017 seeking specific exemption from the requirement to prepare consolidated financial statements, which has been approved. Further, the Company has also intimated to stock exchange on March 22, 2017 for its inability to prepare consolidated financial statement.

Notes to financial statements

for the year ended 31st March, 2017

30. Segment information

Business segments

As of 31st March, 2017, the Company has organised its operations into three major businesses: Building Products, Thermal Insulation Products (Refractories) and Wind Power. A description of the types of products and services provided by each reportable business segment is as follows:

Building Products: The Company manufactures and markets fibre cement sheets, Aerocon Panels, Fly Ash Bricks (AAC) , Advanced Polymer Products & Coloured Steel Sheets. The said products are used in construction activity. The Company also trades in allied products like GC Sheets, CC Sheet, Fly Ash Bricks (AAC), Upvc & Cpvc pipes & fittings etc.

Thermal Insulation Products (Refractories): The Company manufactures and markets insulation products used in Cement, Fertilizers and Power Sector in the Kilns, furnaces and boilers.

Wind Power : The Company installed few Wind Turbine Generators as a part of Green initiative, part of which is used for captive consumption and the excess power to be sold to the respective state electricity board.

Geographical segments

The analysis of geographical segments is based on the location of the customers i.e. domestic and overseas.

a. Primary segment information (by business segments)

The following table presents revenue and profit information regarding business segments for the years ended 31st March, 2017 and 31st March, 2016 and certain assets and liabilities information regarding business segments as at 31st March, 2017 and 31st March, 2016.

₹ in lacs

	Building Products		Thermal Insulation Products		Wind Power		Elimination		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue										
External sales	102832.04	107120.02	2045.81	2064.31	769.38	711.96	-	-	105647.23	109896.29
Other income*	680.32	586.52	1.88	4.02	-	-	-	-	682.20	590.54
Inter segment revenue	-	-	-	-	(288.58)	(268.58)	-	-	(288.58)	(268.58)
Total Revenue	**103512.36**	**107706.54**	**2047.69**	**2068.33**	**480.80**	**443.38**	**-**	-	**106040.85**	**110218.25**
Results										
Segment results	10245.21	9928.95	295.04	301.77	198.81	341.42	-	-	10739.06	10572.14
Interest Income									40.76	48.00
Unallocated corporate expenses (net)									2919.04	3697.73
Operating profit									7860.78	6922.41
Interest expenses									518.19	917.41
Taxes (net)									2075.15	1941.40
Deferred tax charge									(189.05)	97.36
Net profit from ordinary activities									**5456.49**	**3966.24**
Segment assets	73297.26	76032.37	1959.42	3029.77	4266.05	4491.05	-	-	79522.73	83553.19
Unallocated corporate Assets									8050.57	7090.81
Total assets									**87573.29**	**90644.00**
Segment liabilities	18896.28	16483.21	396.23	48.69	3.28	10.83	-	-	19295.79	16542.73
Unallocated corporate liabilities									18136.20	28094.58
Total liabilities									**37431.99**	**44637.31**
Other segment information										
Capital expenditure	3214.66	6178.44	0.77	36.44	-	4.00	-	-	3215.43	6218.88
Unallocated capital expenditure									67.62	536.53
Depreciation/Amortisation	3322.59	3145.45	111.21	112.83	246.47	246.44	-	-	3680.27	3504.72
Unallocated corporate depreciation/ amortisation									414.90	469.67
Provision for doubtful debts, advances and receivables	525.43	578.53	-	-	191.00	-	-	-	716.43	578.53

*Total other income as per the statement of Profit and Loss is ₹ 2427.99 lacs (Previous year : ₹ 1221.81 lacs) which includes ₹ 1705.03 lacs (Previous year: ₹ 583.27 lacs) pertaining to Corporate Office.

Notes to financial statements

for the year ended 31st March, 2017

30. Segment information (Contd..)

b. Geographical segments

The following is the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced:

		₹ in lacs
	2016-17	2015-16
Domestic Markets (excluding Sales during trial run period)	104334.29	109297.97
Overseas Markets	1024.36	329.74
	105358.65	109627.71

The following table shows the carrying amount of Trade Receivables by geographical markets.

		₹ in lacs
	2016-17	2015-16
Domestic Markets	8616.23	10133.56
Overseas Markets	29.82	8.44
	8646.05	10142.00

The Company has entire fixed assets situated within India for producing goods/providing services to domestic as well as overseas markets. Hence, separate figures for fixed assets/ addition to fixed assets have not been furnished.

31. Related Party Disclosure

Name of related parties

a) Joint Venture	Supercor Industries Limited, Nigeria.
b) Key Management Personnel	Mr. Dhirup Roy Choudhary (Managing Director)
	(Joined on 16th January, 2017)
	Mr. Prashant Vishnu Vatkar (Managing Director)
	(Resigned effective 20th September, 2016)
	Mr. KR Veerappan (Chief Financial Officer)
	Mr. Manikandan G (Company Secretary)
	(w.e.f. 19th August, 2015)
	Mr. P Rajesh Kumar Jain (Company Secretary)
	(Resigned effective 18th August, 2015)

Notes to financial statements

for the year ended 31st March, 2017

31. Related Party Disclosure (contd..)

		₹ in lacs	
		2016-17	2015-16
c)	**Joint Venture -Supercore Industries Ltd**		
	Balance outstanding as at the year end		
	Dividend receivable on investments	9.01	9.01
d)	**Key Management Personnel**		
	i) Managerial remuneration*		
	Mr. Dhirup Roy Choudhary	57.96	-
	Mr. Prashant Vishnu Vatkar	100.20	238.29
	Mr. KR Veerappan	138.93	114.70
	Mr. Manikandan G	41.56	21.84
	Mr. P Rajesh Kumar Jain	-	10.53
	ii) Year end payable		
	Mr. Dhirup Roy Choudhary	8.75	-
	Mr. Prashant Vishnu Vatkar	-	29.00
	Mr. KR Veerappan	18.24	16.00
	Mr. Manikandan G	5.02	2.60

* As the future liabilities for gratuity and leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above.

32. Capital commitments

	₹ in lacs	
	2016-17	2015-16
Estimated amount of contracts remaining to be executed on capital account and not provided for	549.83	1698.34

33. Contingent liabilities (not provided for) in respect of :

		₹ in lacs	
		2016-17	2015-16
a.	Demand raised by the Income tax authorities, being disputed by the Company*	1929.61	990.64
b.	Demands raised by Sales tax authorities, being disputed by the Company** [refer note (i) below]	1628.36	2676.40
c.	Demands (Including penalties) raised by Excise authorities, being disputed by the Company***	2652.94	2121.24
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 Income Tax Appellate Authorities where Income Tax Department has preferred appeals and others****	Liability not ascertainable	Liability not ascertainable
f.	Demand for Property Tax, being disputed by the Company	561.86	561.86
g.	Other claims against the Company not acknowledged as debts *****	288.39	288.39

Notes to financial statements

for the year ended 31st March, 2017

33. Contingent liabilities (not provided for) in respect of (Contd..)

* Income tax demand comprises of demand from the Indian tax authorities upon completion of their assessment for the financial years 2008-09 to 2013 -14. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, depreciation expenses on Wind mill, other expenses not allowed and capital gain on relinquishment of right on leasehold land.

** The demands raised by the Sales tax authority are mainly towards enhancement of turnover due to certain disallowances, entry tax on stock transfers and local sales tax demand upon completion of assessment and various other miscellaneous cases raised by the respective state authorities.

*** The demand raised by the excise authority is mainly towards excise duty demand including interest and penalty towards disallowance of availment of CENVAT credit and wrong classification of products as taxable versus exempt product

**** With respect to Income Tax, mainly represents appeal preferred by Indian Tax Authorities in High Court against favourable order of Tribunal for not considering certain amounts under "Long Term Capital Gain". With respect to others, mainly represents case preferred by local consumers against the Company with regard to environment pollution and compensation which is pending at appropriate authority.

***** 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 financial statements for the demand raised / show cause notice received as the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial statement.

Note: (i) In addition to above, the Company has provided ₹515.81 lacs (including ₹1.08 lacs written off in current year). All these cases are under litigations and are pending with various authorities, expected timing of resulting outflow of economic benefits cannot be specified.

34. Particulars of hedged/unhedged foreign currency exposure as at the balance sheet date

a. Unhedged foreign currency exposure

	2016-17				2015-16		
	Currency	Value in foreign currency	Exchange Rate	₹ in lacs	Value in foreign currency	Exchange Rate	₹ in lacs
Trade payables	US$	3477609	64.86	2255.40	1849082	66.25	1225.02
	Euro	515	69.34	0.36	636	75.42	0.48
Borrowings	US$	-	-	-	160820	66.25	106.54
Trade receivables	US$	45987	64.86	29.82	12736	66.25	8.44
Dividend receivable	Nigerian Naira	2598750	0.35	9.01	2598750	0.35	9.01
Cash and bank balances	US$	-	-	-	800	66.25	0.53
Interest accrued but not Due	US$	-	-	-	1725	66.25	1.14
Loans and advance	US$	60669	64.86	39.35	18003	66.25	11.93
	Euro	7767	69.34	5.39	19708	75.42	14.86
	JPY	-	-	-	171840	0.59	1.01
Advances from customers	US$	-	-	-	65590	66.25	43.45

b. The details of forward contracts outstanding at the year end are as follows

Currency	Number of contracts	Buy Amount in US$	Purpose
2016-17	15	3602133	For hedging of loans and trade payable
2015-16	10	3250000	

Notes to financial statements

for the year ended 31st March, 2017

35. Details of dues to Micro and Small Enterprises as per Micro Small and Medium Enterprise Development (MSMED) Act, 2006 (as certified by the Management)

₹ in lacs

		2016-17	2015-16
a.	The principal amount remaining unpaid to any supplier as at the end of each accounting year (including ₹1.21 lacs shown under capital creditors (Previous Year ₹ nil));	7.22	1.63
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 as 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

36. Provision for employee related other costs

₹ in lacs

	Opening Balance	Created during the year	Utilised/ recouped during the year	Closing Balance
Employee related other costs (refer note below)	100.69	45.31	57.89	88.11

Note: The wage agreements at three of the manufacturing locations of the Company are pending as at March, 31 2017. It is expected that agreement will be entered in next year and arrears would be paid based on the agreement. The provision for wage arrears have been made on the basis of expected outflows.

37. Employee stock option scheme

The Company provides share-based payment schemes to its eligible employees as identified in the "HIL Employees Stock Option Scheme 2015 (HIL ESOS)". The relevant details of the scheme and the grant are as below:

On 12th May, 2015, the Nomination and Remuneration cum Compensation committee of the board of directors of the Company approved the "HIL Employees Stock Option Scheme 2015 (HIL ESOS)" for issue of stock options to the identified employees of the Company. According to the scheme, eligible employees identified by the Nomination and Remuneration cum Compensation committee entitled to options, subject to satisfaction of the prescribed vesting conditions viz, continuing employment on the rolls of the Company as on 1st April, 2015 as well as new employees who replaces the old eligible employee and joins the employment of the Company before 30th June, 2017 provided that they have been with the Company at least for 6 (six) months prior to 30th June, 2017. The other relevant terms of the grant are as below:

Notes to financial statements

for the year ended 31st March, 2017

37. Employee stock option scheme

Date of grant	17-Aug-2015
Vesting period	40% - end of year 3
	60% - end of year 4
Exercise period	4 years from the respective date of vesting
Expected life	6.6 years
Exercise price (₹)	620
Weighted average market price (₹)	789.59

The details of activity under "HIL - ESOS" - 2015 are summarized below:

No.of options

	2016-17	2015-16
Outstanding at the beginning of the year	84200	-
Granted during the year	-	84200
Outstanding at the end of the year *	84200	84200
Exercisable at the end of the year *	NIL	NIL

The weighted average remaining contractual life for the stock options oustanding as at 31st March, 2017 is 6 year.
* - includes 50,850 options lying at pool account due to resignation of an eligible employee which is to be re-allotted.

The Black Scholes valuation model has been used for computing the weighted average fair value of the stock granted considering the following inputs:

	2016-17		2015-16	
	Tranch 1 17-Aug-2018	Tranch 2 17-Aug-2019	Tranch 1 17-Aug-2018	Tranch 2 17-Aug-2019
Dividend yield	2.23%	2.23%	3.02%	3.02%
Expected volatility	33.24%	33.04%	34.32%	37.84%
Risk free rate	6.69%	6.69%	7.43%	7.43%
Exercise price (₹)	620.00	620.00	620.00	620.00
Expected life of the options granted (years)	5	6	6	7
Weighted average fair value of per stock option granted during the year (₹)	362.95	362.95	341.69	341.69

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.

38. Value of imports calculated in CIF basis

₹ in lacs

	2016-17	2015-16
a. Raw materials	14975.26	22362.74
b. Stores and spares	37.60	21.98
c. Traded goods	142.84	22.93
d. Capital goods	-	819.24

Notes to financial statements

for the year ended 31st March, 2017

39. Expenditure in foreign currency (on accrual basis)

		₹ in lacs
	2016-17	2015-16
a. Travelling expenses	36.90	41.97
b. Advertisement and sales promotion expenses	7.37	15.56
c. Professional, consultancy & legal expenses	18.49	36.31
d. Repairs and renewals - Machinery	9.77	36.70
e. Repairs and renewals - General repairs and maintenance	7.69	-
f. Miscellaneous expenses	-	3.62
g. Finance cost	-	8.58

40. Value of raw materials, stores and spares consumed (including material consumed during the trial run period) and percentage to the total

		2016-17		2015-16	
		Percentage	Value ₹ in lacs	Percentage	Value ₹ in lacs
a.	**Raw materials**				
	i. Indigenous	60.91	31491.73	55.06	32141.04
	ii. Imported	39.09	20207.34	44.94	26234.82
		100.00	**51699.07**	**100.00**	**58375.86**
b.	**Stores and spares**				
	i. Indigenous	99.11	3041.94	99.58	2942.96
	ii. Imported	0.89	27.32	0.42	12.27
		100.00	**3069.26**	**100.00**	**2955.23**

41. Net dividend remitted in foreign currency

		2016-17	2015-16
a.	**Final dividend**		
	Number of NRI Shareholders	265	198
	Number of Shares held by them	113673	200861
	Dividend paid (₹ in lacs) *	-	-
	Year to which dividend relates	2015-16	2014-15
b.	**Interim dividend**		
	Number of NRI Shareholders	259	242
	Number of Shares held by them	103827	507297
	Dividend paid (₹ in lacs) *	-	-
	Year to which dividend relates	2016-17	2015-16

* excluding dividend of ₹21.75 lacs (Previous Year: ₹58.13 lacs) credited to FCNR / NRE account of NRI's and paid to foreign Institutional Investors on repatriation basis.

Notes to financial statements

for the year ended 31st March, 2017

42. Earnings in Foreign Exchange

		₹ in lacs
	2016-17	2015-16
Export of Goods (F.O.B.)	495.85	107.17

43. With a view to rationalize the workforce at its Faridabad and Thrissur units, (Previous Year: Hyderabad unit) the Company had announced Voluntary Early Retirement Scheme (VERS). In response to the VERS, workmen opted for the same and expenditure of ₹688.05 lacs (Previous Year: ₹275.57 lacs) on VERS is charged to the statement of profit and loss as an exceptional item.

44. Previous year figures have been regrouped/rearranged wherever necessary to confirm to current years classification.

As per our report of even date

For **S.R.BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

Per Vikas Kumar Pansari
Partner
Membership No.093649

Place: New Delhi
Date : 27th April, 2017

For and on behalf of the Board of Directors

Dhirup Roy Choudhary
Managing Director & CEO
DIN : 07707322

KR Veerappan
Chief Financial Officer

Desh Deepak Khetrapal
Director
DIN : 02362633

G. Manikandan
Company Secretary &
Financial Controller

Notice of the 70th Annual General Meeting

Notice is hereby given that the **70th** Annual General Meeting of **HIL Limited** will be held on **Tuesday the 18th day of July, 2017,** at **3.00 P.M.** at **Asbestos Centre, Road No.13, Banjara Hills, Hyderabad, Telangana-500 034,** to transact the following business:

Ordinary Business

Item No. 1 : Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, together with the reports of the Board of Directors ("the Board") and Auditors thereon.

Item No. 2 : Declaration of Dividend

To declare final dividend of ₹10.00 per equity share and to confirm the interim dividend of ₹10.00 per equity share already paid during the financial year ended 31st March, 2017.

Item No. 3 : Appointment of Mr. Desh Deepak Khetrapal (DIN: 02362633) as a Director liable to retire by Rotation

To appoint a director in place of Mr. Desh Deepak Khetrapal (DIN: 02362633), who retires by rotation and, being eligible, seeks reappointment.

Item No. 4 : Appointment of Auditors

To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 75th Annual General Meeting 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 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the proposal of the audit committee of the Board and recommendation of the Board, M/s. BSR & Associates, LLP, Chartered Accountants (ICAI Firm Registration Number : 116231W/W-100024) be and is hereby appointed as the statutory auditors of the Company, to hold office for a period of five consecutive years commencing from the financial year 2017-18 i.e from the conclusion of this Annual General Meeting till the conclusion of the 75th Annual General Meeting to be held in year 2022, subject to ratification by the Members at every Annual General Meeting hereafter, on a remuneration that may be determined by the Board in consultation with the auditors"

Special Business

Item No. 5 : Appointment of Mr. Dhirup Roy Choudhary (DIN: 07707322) as a Director of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013, ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read the Articles of Association of the Company, Mr. Dhirup Roy Choudhary (DIN:07707322), who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General meeting, be and is hereby appointed as an Director of the Company, whose period of office shall not be liable to determine by retirement of directors by rotation."

Item No. 6 : Appointment of Mr. Dhirup Roy Choudhary (DIN: 07707322) as Managing Director & Chief Executive Officer (CEO) of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 ("Companies Act") read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. Dhirup Roy Choudhary (DIN: 07707322) as Managing Director & Chief Executive Officer (CEO), a Whole time Key Managerial Personnel (KMP) of the Company, upon the following terms and conditions including period, remuneration with further liberty to the Board of Directors of the Company from time to time to alter the said terms and conditions of appointment and remuneration of Mr. Dhirup Roy Choudhary in the best interests of the Company and as may be permissible by law, viz.

a. Period

5 years w.e.f. 16th January, 2017 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

b. Remuneration

Monthly Emoluments

I. Basic Salary of ₹5,84,000/- (Rupees Five lacs Eighty Four Thousand only) per month with such increments as the Board/Committee may decide from time to time, however subject to a ceiling of 25% of the basic salary last drawn.

II. House Rent Allowance of ₹2,92,000/- (Rupees Two lacs Ninety Two Thousand only) per month with such increments as the Board/Committee may decide from time to time, however subject to a ceiling of 25% of the basic salary last drawn.

III. Special Allowance of ₹5,60,000/- (Rupees Five Lacs Sixty Thousand only) per month with such increments as the Board/Committee may decide from time to time, subject however to a ceiling of 25% of the basic salary last drawn. (This allowance however, will not be taken into account for calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave Encashment).

IV. Conveyance/Car Allowance of ₹4,00,000/- (Rupees Four Lacs Only) per month, subject to revision from time to time with a ceiling of 10% of the basic salary last drawn.

Annual Emoluments:

V. Medical Reimbursements of expenses incurred for self and family, subject to a ceiling of ₹15,000/- per annum.

VI. Performance Variable Pay as approved by the Board (which expression shall include a committee thereof) subject to a maximum of ₹42,00,000/- (Rupees Forty Two lacs Only) per annum, subject to revision from time to time with a ceiling of 25% of the Annual Performance Variable Pay last drawn. The exact quantum of Performance Variable Pay payable will be based on the achievement of the deliverables agreed upon and performance evaluation by the Nomination and Remuneration cum Compensation Committee of the Board, to be paid on pro rata basis for the actual period of service.

VII. Leave Travel Allowance upto a ceiling of ₹5,84,000/- Per annum.

Other Benefits:

VIII. Long-term Incentive Policy and Employee Stock Option/ scheme (including any other incentive policy, scheme, that the Company/Committee may propose for the Executive Directors and/or Senior Executives of the Company) as per the plan applicable to Executive Directors and/or Senior Executives of the Company as may be decided by the Board (this is in addition to the performance variable pay).

IX. Provident Fund and Gratuity as per Company Rules.

X. Medical Insurance Coverage in India under the Company's Group Mediclaim Insurance as applicable to employees of the Company, from time to time, for Mr. Dhirup Roy Choudhary and his spouse, three dependent Children and dependent parents, subject to a maximum coverage of ₹5,00,000/- per annum for entire family.

XI. Personal Accidental Insurance Coverage for the employee under the Company's Group Personal Accidental Insurance Scheme as applicable to employees of the Company, from time to time, subject to a coverage of maximum 40 times of the basic salary.

XII. Encashment of leave at the end of the year / tenure / cession of service / retirement, as per the applicable rules of the Company, from time to time.

XIII. Privilege leave, Casual and Sick leave as per the applicable rules/policy of the Company, from time to time.

XIV. Mobile handset, and the expenses towards its usage will be reimbursed by the Company as per the applicable rules/policy of the Company, from time to time.

XV. Telephone connection and broad band connection at residence and the actual expenses towards its usage will be reimbursed.

XVI. Other Allowances / benefits, perquisites - any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board/Committee may from time to time decide.

XVII. Subject as aforesaid, the Managing Director & CEO shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

"RESOLVED FURTHER THAT the terms of the appointment of Mr. Dhirup Roy Choudhary shall be subject to revision by the Board of Directors (including any committees of the Board), from time to time during the tenure of the appointment taking into account the performance of the Company, within overall limit as provided in this resolution.

"RESOLVED FURTHER THAT the aggregate salary, perquisites, Bonus, benefits, allowances and other payments shall continue to be paid to Mr. Dhirup Roy Choudhary in accordance with the applicable provisions of Schedule V of the Act, and subject to the necessary approvals, if required in case of the loss or inadequacy of profit during his tenure."

"RESOLVED FURTHER THAT the services of Mr. Dhirup Roy Choudhary, as Managing Director & CEO, may be terminable by either side on three months' notice, or pay in lieu thereof or part thereof in case of shorter notice or on such terms as may be mutually agreed upon."

"RESOLVED FURTHER THAT the remuneration specified above for Mr. Dhirup Roy Choudhary, as Managing Director & CEO may subject to overall ceiling specified above and subject to Schedule V of the Companies Act, 2013 be modified, during the tenure of office as Managing Director & CEO, as may be agreed to by the Board of Directors and Mr. Dhirup Roy Choudhary, Managing Director & CEO."

Item No. 7 : To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2018

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 there under and subject to all other approvals, if any required, the Company be and is hereby authorized to pay an amount of ₹6 (Six) lacs 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 31st March, 2018.

Item No. 8 : To approve modifications of HIL Employee Stock Option Scheme, 2015 (ESOS 2015).

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") read along with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**Regulations**") (including any statutory amendment, modification or re-enactment to the Act or the Regulations for the time being in force) and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, and upon receipt of recommendation of the Nomination and Remuneration cum Compensation Committee ("**NRC**"), approval and consent of the Company be and is hereby accorded modify regulation 3.1.13 by inserting sub regulation 3.1.13(a) - in the 'HIL Limited Employees Stock Option Scheme 2015'("**Scheme**")."

"3.1.13(a) "Provided that Remuneration Committee can grant waiver of minimum 6 months period to such new Employees, who are found to be deserving, who replaces the old eligible employees".

By Order of the Board
For **HIL Limited**

G Manikandan
Company Secretary & Financial Controller
M. No. : A36405

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 8 of the accompanying Notice:

Item No. 4:

This explanatory statement is provided though strictly not required as per section 102 of the Act.

The Companies Act, 2013 ('the Act') was notified effective 1st April, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years (for Firm). The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as an auditor in the same company. M/s. S R Batliboi & Associates, LLP, Chartered Accountants (Firm registration number: 101049W/E300004) have served the Company for over 10 years before the Act was notified and will be completing the transitional period (three years) at the ensuing 70th Annual General Meeting.

The Audit Committee of the Company has proposed and on 16th January, 2017, the Board has recommended the appointment of M/s. BSR & Associates, LLP, Chartered Accountants, ICAI Firm Registration Number: 116231W/W-100024, as the statutory auditors of the Company. M/s. BSR & Associates, LLP will hold office for a period of five consecutive years commencing from the financial year 2017-18 i.e from the conclusion of this Annual General Meeting till the conclusion of the 75th Annual General Meeting to be held in year 2022. The first year of audit will be of the financial statements for the year ending 31st March, 2018, which will include the audit of the quarterly financial statements for the year (except First Quarter of 2017-18).

In view of the above, it is proposed the appointment M/s. BSR & Associates, LLP, Chartered Accountants, ICAI Firm Registration Number: 116231W/W-100024, as the statutory auditors from financial year 2017-18 to hold office from the conclusion of the forthcoming 70th Annual General Meeting until the conclusion of the 75th Annual General Meeting of the Company to be held in 2022. In terms of the provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by the Members at every Annual General Meeting.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above item.

The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

Item No. 5 & 6:

Based on the recommendation of the Nomination and Remuneration cum Compensation Committee, Mr. Dhirup Roy Choudhary was appointed as an Additional Director on the Board of the Company with effect from 16th January, 2017 to hold office upto the date of the ensuing Annual General Meeting. He was also appointed as the Managing Director of the Company with effect from 16th January, 2017, subject to the approval of the Members.

Further, to align the goals of Mr. Dhirup Roy Choudhary, with the vision of the Company, based on the recommendation of the Nomination and Remuneration cum compensation Committee, the Board has re-designated Mr. Dhirup Roy Choudhary, Managing Director as Managing Director and Chief Executive Officer (CEO) with effect from 27th April, 2017.

Mr. Dhirup Roy Choudhary, born on 12th October, 1968 holds a degree in Bachelor of Engineering (Electrical & Electronics) from Birla Institute of Technology and has 25 years of professional experience which brings in multi business, multi-geography and multi-cultural exposure and held various managerial positions in large companies in India and abroad prior to his appointment as the Managing Director & CEO of the Company.

Brief resume of Mr. Dhirup Roy Choudhary, nature of his expertise in specific functional areas, names of companies in which he has worked has been provided in the Corporate Governance Report forming part of the Annual Report of the Company.

Mr. Dhirup Roy Choudhary satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. Mr. Dhirup Roy Choudhary is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") along with the amount of requisite deposit from a Member signifying his intention to propose the appointment of Mr. Dhirup Roy Choudhary as a Director of the Company.

In compliance with the provisions of Sections 152, 161, 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, it is now proposed to seek the Shareholders' approval for appointment of Mr. Dhirup Roy Choudhary as Director, Managing Director & Chief Executive Officer and a Key

Managerial Personnel, who is not liable to retire by rotation in terms of the applicable provisions of the Companies Act, 2013 ("Act") with effect from 16th January, 2017, on the terms and conditions as detailed in the resolution.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 and Special Resolution set out at Item No. 6 for approval by the Shareholders'.

ITEM NO. 7:

The Company is required under Section 148 of the Act to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration M/s. S.S. Zanwar & Associates, the 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 ending 31st March, 2018 at a remuneration of ₹6.00 lacs plus reimbursement of out-of-pocket 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 as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2018.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution.

The Board recommends the above resolution for the approval of the Members.

ITEM NO 8:

The Company has adopted "HIL Employee Stock Option Scheme 2015"("Scheme") with an objective to give eligible employees, who are performing well, a certain minimum opportunity to gain from the Company's performance, thereby acting as a retention tool and to attract the best talent available in the market.

The Board of Directors ("Board") of the Company at their meeting held on 27th April, 2017, based on the recommendation of the Nomination and Remuneration cum Compensation Committee has approved the modification of the definition of "Eligible Employee" under Clause 3.1.13 of the Scheme, to enable the Nomination and Remuneration cum Compensation Committee to grant waiver of minimum 6 months period for the new employees, who replaces the eligible employees on or before 30th June, 2017.

Existing Clause (3.1.13) which describes about eligible employees for the scheme which is re-produced below:

"Eligible Employee means a permanent Employee on the rolls of the Company as on 1st April, 2015, whether whole time or not, who are selected by the Remuneration Committee under the Plan eligible for Grant. For the purposes of this definition, new Employee who replaces the old Eligible Employee and joins the employment of the Company before 30th June, 2017 shall also be selected by the Remuneration Committee under the Plan eligible for Grant provided that they have been with the Company at least for 6 (six) months prior to 30th June, 2017."

The Board on recommendation of Nomination and Remuneration cum Compensation Committee has approved the modification of Clause 3.1.13 by insertion of sub proviso 3.1.13(a):

3.1.13(a) "Provided that Remuneration Committee can grant waiver of minimum 6 months period to such new Employees, who are found to be deserving, who replaces the old eligible employees".

Apart from the above, all other terms and conditions of the Scheme remains changed.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution, expect to the extent of the stock options that may be granted/granted to them under the Scheme.

The Board recommends the above resolution for the approval of the Members.

By Order of the Board
For **HIL Limited**

Registered Office:
Office No 1 & 2 , L7 Floor,
SLN Terminus,
Sy. No. 133, Near Botanical Gardens,
Gachibowli, Hyderabad – 500032

G Manikandan
Company Secretary &
Financial Controller

Dated: 27th April, 2017
Place: New Delhi

NOTES:

1. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the special business under Item Nos. 5&6 of the Notice, are annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking appointment and re-appointment are also annexed.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.

3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.

4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

5. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.

8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 12th July, 2017 to Tuesday, 18th July, 2017 (both days inclusive), for annual closing and determining the entitlement of the shareholders to the final dividend for the year ended 31st March, 2017.

9. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched by Saturday, **22nd July, 2017** to those Members whose names shall appear on the Company's Register of Members as on book closure date and in respect of the shares held in dematerialized form, the dividend will be paid to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on the close of business hours on Tuesday, **11th July, 2017**.

10. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. The Members holding shares in physical form are requested to advise any change of address and / or bank mandate immediately to M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500018.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500018.

12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

14. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

15. Members holding shares in electronic form may submit the same to their respective depository participant.

16. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of HIL to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad - 500018. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.

17. Copies of the Annual Report 2016-17 are being sent by electronic mode only to the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Annual Report 2016-17 are being sent by the permitted mode.

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@vccilindia.com**) Tel: 040-23818475/76; Fax: 040-23868024.

20. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the Annual General Meeting.

21. The facility for voting through electronic voting system or ballot or polling paper shall be made available at the Annual General Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

22. The Notice of the 70th Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all Members whose email addresses are registered with the Company / Depository Participant(s) unless a Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

23. Members may also note that the Notice of the Seventieth Annual General Meeting and the Annual Report 2016-17 will be available on the Company's website **www.hil.in.**

24. The board of directors has appointed M/s. P.S. Rao & Associates, Practicing Company Secretaries (C.P No. 10573) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

25. The facility for voting, through polling paper shall also be made available at the Annual General Meeting and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting.

26. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

27. All the Shareholders are informed that the shares, wherein the dividend(s) remains unclaimed from the financial year 2009-10 for a period of seven consecutive years, will be transferred to IEPF or IEPF Suspense Account and are requested to claim their unclaimed dividends by writing to the Company or RTA.

28. The instructions for e-voting are as under:

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the 70th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

    II. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

    III. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

    IV. The remote e-voting period commences on 14th July, 2017 (9:00 am) and ends on 17th July, 2017 (5:00 pm). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11th July, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

    V. The process and manner for remote e-voting are as under:

    A. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)] :

        (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

        (ii) Launch internet browser by typing the following URL: **https://www.evoting.nsdl.com/**

        (iii) Click on Shareholder - Login

        (iv) Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.

        (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

        (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

        (vii) Select "EVEN" (E-Voting Event Number) of "HIL Limited".

        (viii) Now you are ready for remote e-voting as Cast Vote page opens.

        (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

        (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

        (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to **psraoassocaites@gmail.com** with a copy marked to **evoting@nsdl.co.in** and **cs@hil.in**

B. In case a Member receives physical copy of the Notice of Annual General Meeting [for Members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip enclosed along with the Annual Report :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of **www.evoting.nsdl.com** or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 11th July, 2017.

X. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 11th July, 2017, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on **www.evoting.nsdl.com** or contact NSDL at the following toll free no.: 1800-222-990.

XI. A Member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

XII. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through ballot paper.

XIII. Ms. CS Vanitha of M/s. PS Rao & Associates, Practicing Company Secretaries (M. No. 26859 & CP No 10573) has been appointed for as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper"/"Poling Paper" for all those Members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company **www.hil.in** and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the share of the Company are listed.

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Proxy form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name and Address of the Shareholder(s).....

Email Id: ..... Folio No./ DP id & Client Id: .....

I/We being the member(s) of ..... Shares of **HIL Limited**, herby appoint.

1. Name: ..... Email Id: .....

Address: .....

Signature: ..... Or falling him

2. Name: ..... Email Id: .....

Address: .....

Signature: ..... Or falling him

3. Name: ..... Email Id: .....

Address: .....

Signature: .....

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 70th Annual General Meeting of the Company at Asbestos Centre, Road No.13, Banjara Hills, Hyderabad – 500034. Telangana at 3.00 pm on Tuesday, 18th July, 2017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, together with the reports of the Board of Directors ("the Board") and Auditors thereon.
2. To declare final dividend of Rs. 10.00 per equity share and to confirm the interim dividend of Rs.10.00 per equity share already during the the financial year ended 31st March, 2017.
3. To appoint a director in place of Mr. Desh Deepak Khetrapal (DIN 02362633), who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint M/s. BSR & Associates, LLP, Chartered Accountants, (ICAI Firm Registration Number : 116231W/W-100024), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 75th Annual General Meeting.

Special Business:

5. Appointment of Mr. Dhirup Roy Choudhary (DIN: 07707322) as a Director of the Company.
6. Appointment of Mr. Dhirup Roy Choudhary (DIN: 07707322) as Managing Director & Chief Executive Officer (CEO) of the Company.
7. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2018.
8. To approve modifications of HIL Employee Stock Option Scheme, 2015 (ESOS 2015).

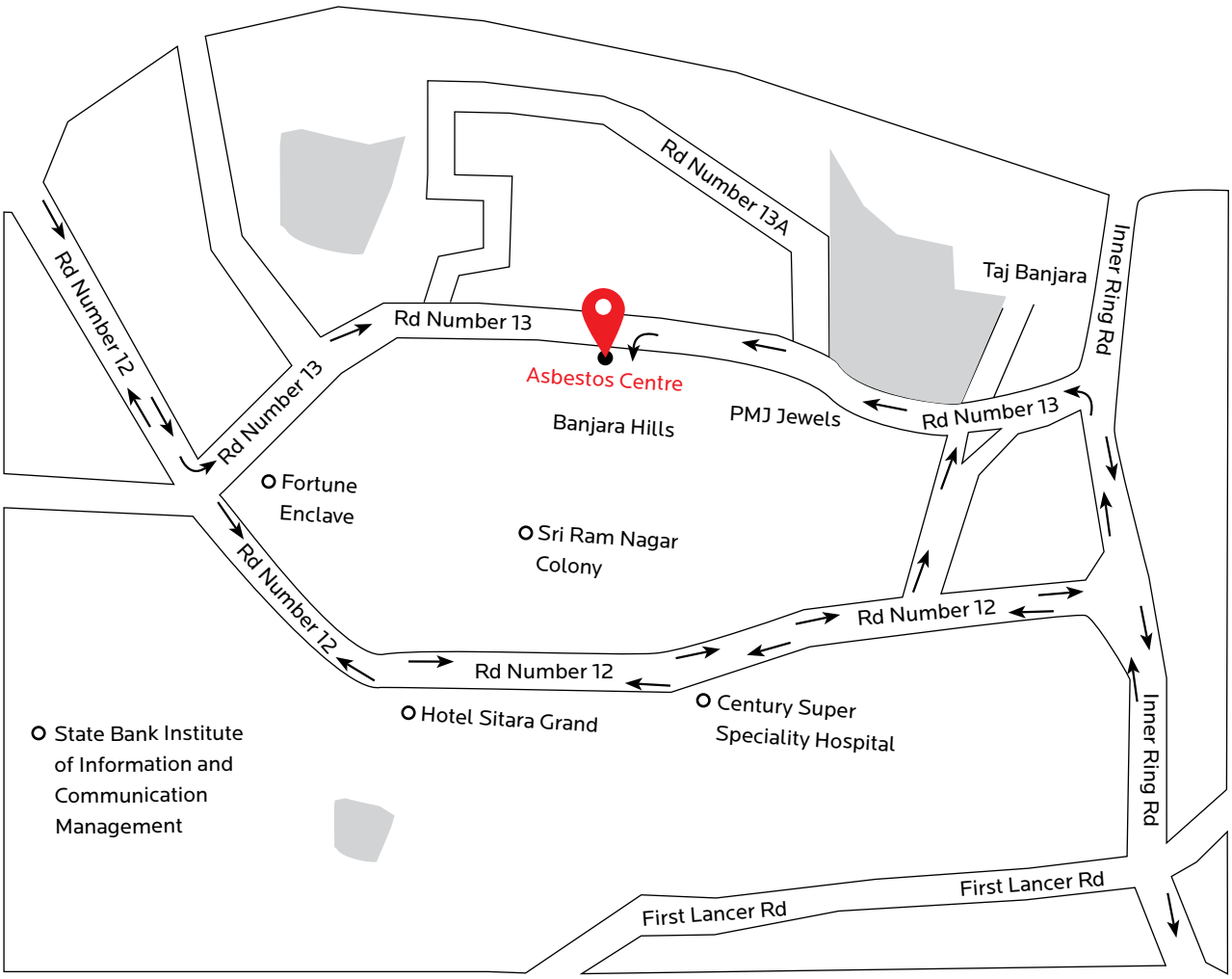
Signed this ..... day of 2017

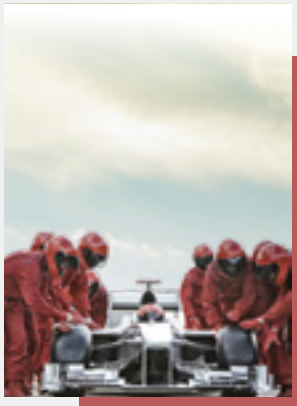
Signature of Shareholder ..... Signature of Proxyholder(s) .....

Notes:

1. This form in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Those members who have multiple folios with different joint holders may use copies of this Proxy.

Route map of 70th AGM Venue of HIL





GEARED UP TO ZOOM AHEAD

The market conditions of the real estate and the rural economy, for the year 2015-16 have been challenging. Tough times like these call for recalibration of business approach. HIL has worked relentlessly to improve on operational efficiency taking a zero base approach in many aspects of business. HIL also focussed on getting future ready by working on initiatives like TPM certification for the leading plants and making the Aerocon brand stronger in the building material space. These initiatives got acknowledged with the award of TPM for Kondappally plant - the first in its category, and both our brands Charminar and Aerocon were awarded the "Superbrand" status. HIL is now ready to scale new heights of excellence.

We are the market leaders in the Building Material Space and we reaffirm this by reinventing ourselves and our standards regularly. We stand committed to be the trendsetters by constantly raising the bar for the industry.

So, we stand all poised, ready and fully Geared Up to zoom ahead.

Here we present the overview of the operation at hand.

ANNUAL REPORT 2015-2016

In line with our evolving strategies we proud to announce that

AEROCON is now BIRLA AEROCON

Disclaimer

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forwardlooking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the abovementioned circumstances, we can provide no warranty regarding the correctness, completeness, and upto-date nature of information taken, and declared as being taken, from third parties, as well as for forwardlooking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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