HIL
TOGETHER, WE BUILD.

CK BIRLA GROUP

Date: July 07, 2022

To
BSE Limited
P.J.Towers, Dalal Street
Mumbai – 400 001

Scrip Code: 509675

To
National Stock Exchange of India Limited
5th Floor, Exchange Plaza, Bandra (E),
Mumbai – 400 051

Scrip Symbol: HIL

Sub: Annual Report for Financial Year 2021-22

Ref: Regulation 34 and other Regulations for SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Please refer to our earlier letter intimating that the 75th Annual General Meeting of the Company is scheduled to be held on Friday, July 29, 2022 at 3:00 PM (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

We are enclosing herewith the Annual Report of the Company for financial year 2021-22 along with the Notice of 75th Annual General Meeting in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of the report is being sent through email to those Members whose e-mail ids are registered with the Company/ Registrar and Share Transfer Agent/ Depositories and also made available on the website of the Company at https://hil.in/wp-content/uploads/2022/07/Annual-Report-2021-22.pdf.

Thanking You.

Yours faithfully,
For HIL LIMITED

MAHESH MADHUKAR THAKAR

Digitally signed by MAHESH MADHUKAR THAKAR
DN: c=IN, o=Personal, 2.5.4.20=1bf7d6da65d8aa67fbccb2de69a7fa2920daf63fb91e6fe11373adebcc9b848f, postalCode=411040, st=Maharashtra, serialNumber=d5fce31eb175be5daf255b740175c045d6be877064b4af269199cf92427 49f2e, cn=MAHESH MADHUKAR THAKAR
Date: 2022.07.07 19:14:12 +05'30'

Mahesh Thakar
Company Secretary &
Head of Legal

CK BIRLA GROUP

HIL

Innovate.
Sustain.
Lead.

















HIL LIMITED

ANNUAL REPORT

2021-22

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Scan for a digital copy of this Report

Forward-looking statements

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



INNOVATE. SUSTAIN. LEAD.

Our relentless innovation and sustainable best practices have strengthened our leadership in our core markets. We have grown, over the years, navigating the ebbs and flows of business cycles and economic headwinds, strengthening our resilience to uncertainties.

FY22, just like the year that preceded, put our operations in India and overseas to a severe stress test. However, we have stayed strong in the face of adversity and delivered encouraging growth, supported by an agile business models, along with hard-working and dedicated teams.

We are gradually orienting the business for a global growth curve. As we approach new countries we ensure that we understand local nuances well in order to maximize opportunities. Our expertise in design and quality gives us the ability to delight customers and strengthen our margins. Our brand reputation also helps enhance trust for customers and all other stakeholders.

The cultural and operational fabric of HIL is geared for growth, and we are well on our way to achieving the target of becoming a $1 billion Company by 2026, serving as a one-stop building material solutions company nationally and internationally.



CK BIRLA GROUP

Transforming through talent and technology

A diversified US $2.8 billion conglomerate, the CK Birla Group has a presence globally and shares enduring relationships with renowned global companies.

With over 30000 employees, 47 manufacturing facilities and numerous patents and awards, the Group's businesses are spread across 5 continents. The Group operates in three industry clusters, namely technology and automotive, home and building, and healthcare and education.

The group's companies are strengthened by shared guiding principles that include a focus on long-term value creation, trust-based relationships, and spreading joy within the communities in which they operate. Each business of the Group is evolving continuously to build on the collective strengths of the Group. The conglomerate is undergoing a transformation exercise with technology and talent driving the change. With a vision to create value in line with the rapidly changing needs of customers, partners, and communities, the Group is poised to change the game.

30000+
Employees

Focused on
Long-term value creation

Presence across
5+
Continents

Over
~$ 2.8 billion
Conglomerate

Chairman's message



"OUR FOCUS ON ECO-FRIENDLY CUSTOMER CENTRIC PRODUCTS DEVELOPED THROUGH INNOVATION, SUSTAINED OUR MARKET LEADERSHIP WHICH ENABLES US TO ACCESS UNTAPED GEOGRAPHIES"

CK BIRLA
Chairman

Dear Shareholders,

We started the year with the deadliest wave of the pandemic, which took an enormous toll on economies, businesses and livelihoods in India and globally. As the world navigated through the pandemic-induced disruptions, economic activity was further hampered by geopolitical conflicts. We also faced our fair share of challenges in the form of rising input costs and supply chain disruptions. However, we stayed strong in the face of adversity and delivered encouraging growth, on the back of an agile business model and hard-working dedicated teams. Our focus on markets, continually broadening the product basket and selection of the right product mix helped us register a strong revenue growth and retain our leadership position.

The severity of the adversity was even more in Europe, where PARADOR faced scarcity of raw materials and doubling of key raw material costs. I am pleased that our European team worked determinedly to stay afloat in these trying times and also could partly offset the impact of cost adversities.

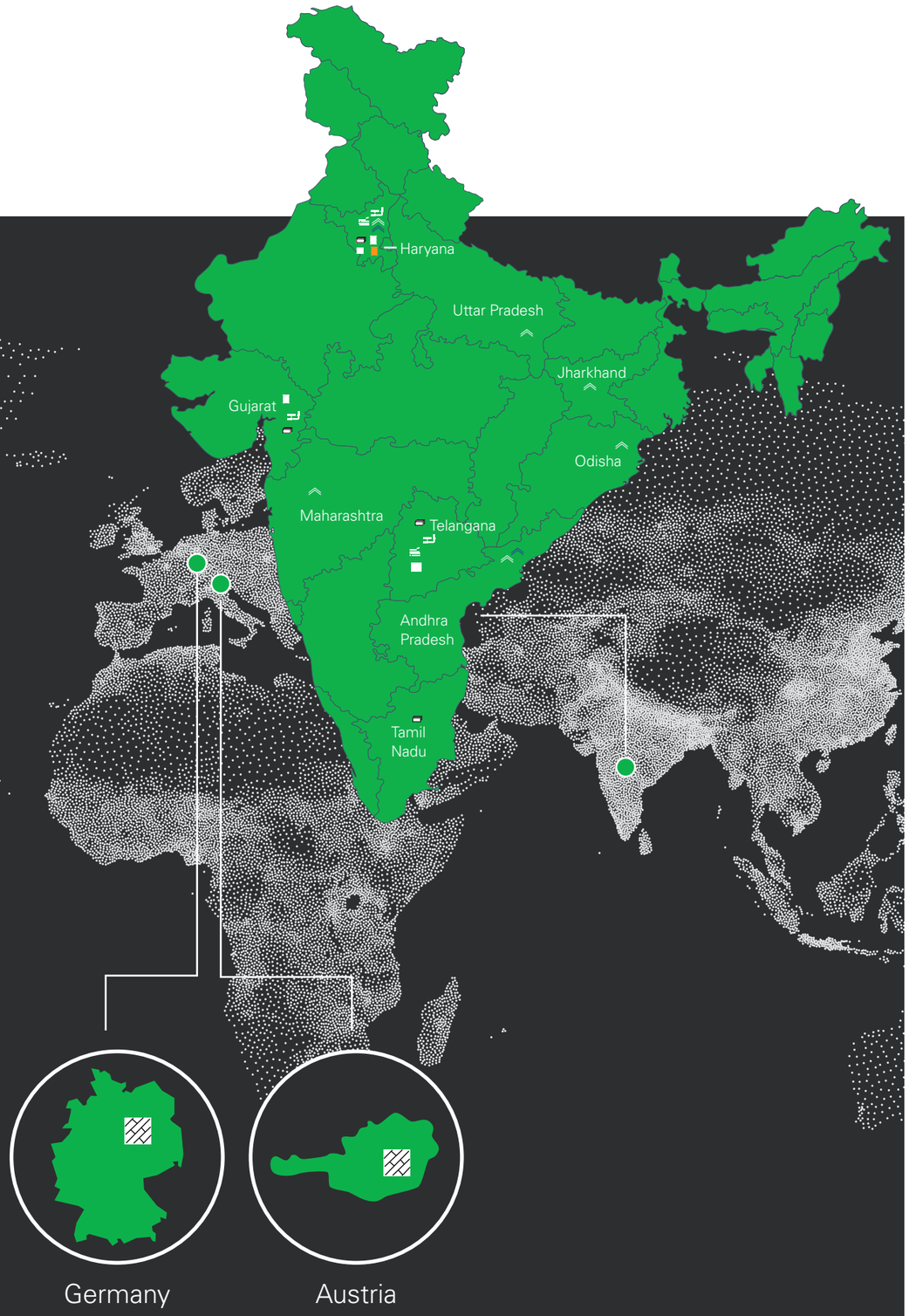
Our commitment to stakeholders is to grow responsibly, and to safeguard their long-term interests. This commitment is reflected in our innovative green solutions and our consistent focus on improving our Environment, Social and Governance (ESG) performance. On behalf of the Board, I congratulate the entire leadership team and all members of the HIL family for their dedication and perseverance to perform commendably in these trying times.

CK Birla
Chairman

"OUR COMMITMENT TO STAKEHOLDERS IS TO GROW RESPONSIBLY, AND TO SAFEGUARD THEIR LONG-TERM INTERESTS. THIS COMMITMENT IS REFLECTED IN OUR INNOVATIVE GREEN SOLUTIONS AND OUR CONSISTENT FOCUS ON IMPROVING OUR ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE."

Strengthening our footprint across geographies

Building the nation through high quality, cost effective products



Manufacturing Units

- Charminar AC Sheet
- Charminar Fortune
- Birla Aerocon Panel
- Birla Aerocon AAC Blocks
- Birla HIL Putty
- Birla HIL Pipes
- Birla Aerocon Dry Mix
- Birla Aerocon Fibre Boards
- PARADOR Flooring

MD and CEO message

> OUR LEADERSHIP EXTENDS ACROSS QUALITY, DISTRIBUTION, SOCIAL COMMITMENT. WE ARE STRIVING TO BETTER OUR PERFORMANCE AS WE STEP INTO FY23.

DHIRUP ROY CHOUDHARY
Managing Director and CEO



Dear Shareholders,

For the last two years we have seen health and economic uncertainties taking a huge toll on lives and livelihoods worldwide. After a significant contraction related to the COVID-19 pandemic in 2020, the global economy recovered to a certain extent in 2021. However, the momentum was sluggish in Q2, due to a deadlier variant of the virus, the impact of which was fortunately brief.

Towards the end of Q4 FY2022, a sudden escalation in geopolitical tension arising from prolonged Russia-Ukraine conflict led to a disruption in supply chains, high crude prices and rising inflation across both emerging/developing economies.

The Indian economy performed better than expected and grew by 8.7% in FY2022, driven largely by the government's large-scale vaccination drives and accommodative fiscal and monetary measures. However, given India's high crude imports, the inflation trajectory continues to be a matter of concern, jeopardising long-term growth outlook and putting pressure on corporate margins.

Combating headwinds, delivering growth

Against a challenging backdrop, we have successfully closed FY22 with 16% revenue growth totalling ₹ 3520 crore, which is nearly $0.5 billion. Our PBT grew by 1% amid higher raw material costs and margin pressures, persistent almost throughout the year and was recorded at ₹ 295 crore. This was driven by a committed response by our dedicated teams to various business headwinds. While the flooring segment countered non-availability and pricing of HDF / MDF boards, we have observed inflation build up across other key inputs in every other business segments. However, we believe these challenges are transient and as these situational adversities recede, we will regain our focus on profitable volume growth.

Given our brand supremacy and strong product attributes in roofing solutions, we have been successful in gaining market share, even as we were compelled to take price increments. In line with the overall trend of the economy, our business has seen a certain pick-up in the cost of cement, fly ash, fibre, and sea freight. Our teams continue to work on various avenues of cost reduction methodically, which includes looking at alternative raw materials and recipes.

We are continuing our cost-optimisation initiatives for a few quarters now and hence, despite the shortcomings on the supply side, we could grow our market share with little impact on margins. Our leadership extends across pricing, quality, distribution, and connects, and we are striving to better our performance as we step into FY23. Our non-asbestos roofing Charminar Fortune brand continues to garner business growth and robust traction in the market where volumes have shown improvements. Since last one year, our team has been graduating production towards unit care, which comes with better manufacturing efficiency, thereby aiding our competitiveness.

Coming to the Building Solutions segment, we delivered a robust performance in FY22 compared to FY21. Revenue grew by 44% and PBT grew by 86%. We are witnessing very high rates of utilisation of capacity. Our next growth lever will be geographic expansion in east and capacity enhancement in existing plants. Amidst raw material inflation, the real estate and building materials industry has actually seen a healthy demand and we are confident that we will be able to maintain our growth trajectory on the back of our strategy for this business.

In the polymer solution business, our margins remain under pressure due to volatility of resin prices and high cost of other chemicals and polymers. However, our strategy of geographic expansion continues to help us accelerate growth.

The challenges were far more in the European context, where Parador faced a huge scarcity of raw materials, and a doubling of key raw material costs. Other challenges such as an increase in energy cost, and tripling of sea freight impacted our operations.

Yet, Parador registered growth in top-line over that of last year. Our European team has taken determined efforts towards making multiple selling price escalations across product categories, entering long-term supply contracts with key dependable raw material suppliers, improving product mix, and continuously working on cost base. These initiatives have all supported towards partially offsetting the impact of cost adversities. Parador continues to expand in Europe at a very good rate. Globally, China continues to be an important market for us, while plans for further global expansions are on the cards.

Overall, in this tough inflationary and volatile operating environment, we have demonstrated significant sales growth, protected our operating margins and increased our market share in all segments in the domestic market.

Value creation is a teamwork

Our teams have always played a pivotal role in our journey in building an innovative, customer-focused and sustainable business. We have always invested in upskilling our employees/partners and encouraging them to take on more challenging roles. I am happy to announce that we have been recognised as a 'Great Place to Work' for a third consecutive year.

As a responsible business, we have put in place an ESG governance structure, which comprises Corporate Social Responsibility and Sustainability Committee, ESG Steering Committee & ESG Working Group for holistic ESG oversight across our value chain. We are formulating our ESG strategy, along with short-term and long-term roadmap in consultation with all stakeholders.

Maintaining leadership

I must thank all our teams, partners, investors and the entire stakeholder fraternity for their dedication and efforts in helping HIL strengthen its leadership. We are well on our way to achieving the goal of becoming a $1 billion Company by 2026, serving as a one-stop building material solutions company with both domestic and global presence.

The Birla brand has a reputation for quality and is one of the most well-known brands in the country. These factors combined with our strategies and valuable experience gained in the last few years has helped ensure business growth, despite challenges and we are committed to continue leveraging this going forward.

Thank You!

Dhirup Roy Choudhary
Managing Director and CEO

Enhancing core competence for a competitive edge

Our high-quality, affordable, customer friendly products are a testament to our commitment towards innovation and sustainability to create value for our customers and stakeholders. Over the years, our leadership in the building material space in India and overseas channeled us as a global, innovative, and eco-friendly building and infrastructure solutions provider.

Our growth drivers

Portfolio of high-quality brands

Our high-quality and sustainable brands help us cater to a wide customer base across the world. We are also foraying into the construction chemical business which will further boost our leadership position in the construction material segment.

6
Renowned brands

Wide distribution reach

We have a strong foothold in India and we are expanding our footprint across the globe with the help of our efficient supply chain consisting dedicated partners. Strategically placed sales depots, distributors and retail units across urban and semi-urban areas help us cement our position further. We also have a strategic approach for deeper market penetration in rural areas.

3
Sales office

40
Sales depots

2500
Distributors

6000+
Sub dealers

State-of-the-art manufacturing units

Our manufacturing units play an important role in offering a wide range of products on a large scale. We have 22 manufacturing facilities in India and one facility each in Germany and Austria which are specialised to produce our innovative solutions and are strategically located to reach the key markets. Efficient operational methods and process innovations lead to higher margins and premium on products.

24
Manufacturing facilities

Advanced research and development capabilities

Research capabilities are integral to our business model as it helps us sustain ourselves in the fast-paced market. We were the pioneers in setting advanced research centres in the construction industry. We are constantly striving to improve our existing product mix and develop new products. We have also made strategic investment in our research to cater to green buildings. To stay ahead of competitors, we adopt process innovations and research on industry changing dynamics.

Over the years we have continuously invested in R&D, upgrading our technologies across our manufacturing facilities. Sustained investments in new technologies have led to greater productivity.

2
R&D centres

Experienced management

Our experienced management team consisting industry stalwarts guide us with their consistent inputs and help us achieve our goals. Our open work culture allows a seamless communication between the leadership and the employees which provides guidance and employee engagement.

Factors that impacts our growth positively

Green building

Green buildings are being widely adopted across the globe to reduce negative impacts on the environment. Such buildings provide some of the most effective means to achieve a range of global goals, such as addressing climate change, reducing carbon footprint and driving economic growth. As per the World Green Building Council, green buildings contribute to 9 out of 15 SDGs which makes it a favourable option for the construction sector. In India we have only 5% green buildings which are LEED certified. We, at HIL are striving to manufacture green products and have ramped up innovation to offer green building solutions.

Construction chemicals

The construction chemicals industry is expected to grow at a CAGR of more than 5.5% by 2025. In India, various government incentives to boost the infrastructure sector, and a spike in demand for affordable housing due to a growing middle-class, have significantly helped the expansion of the construction industry. To capitalise of the opportunities, we are entering the construction chemicals business from the next financial year.

Increasing focus of ESG

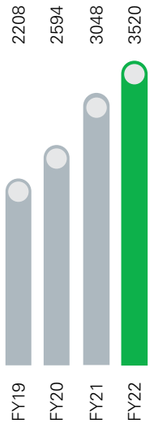
There has been an increasing focus on our performance in environmental, social, and governance (ESG) parameters due to the rising awareness on sustainability and climate change. Organisations are increasingly facing the pressure to showcase their sustainability credentials. We, as a company, have inculcated sustainability in every aspect of our operations and have ESG practices in place to mitigate any external risk.

Industry 4.0 standards have been integral in enhancing operational capabilities and performance of companies. This digital disruption is particularly visible in risk assessments and training. However, the need for digital support and optimisation is expected to expand further in the coming years, particularly in incident, contractor and visitor management. We, at HIL have started Industry 4.0 and have successfully started our digital transformation journey through business analytics, human resource management systems, centralised data processing systems and many more.

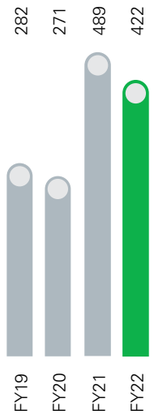
Financial highlights

Consolidated

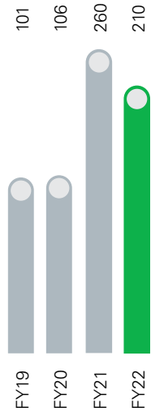
Revenue
(in ₹ crore)



EBITDA
(in ₹ crore)



PAT
(in ₹ crore)



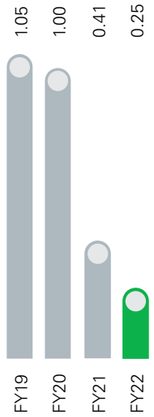
Net worth
(in ₹ crore)



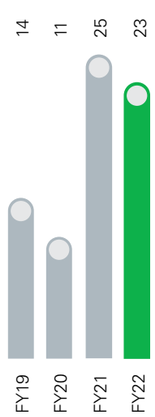
Share of non-asbestos
Share of non-asbestos
(% of total revenue)



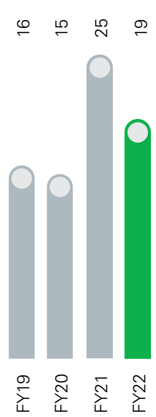
Debt equity ratio
Debt equity ratio (in times)



ROCE
ROCE (%)

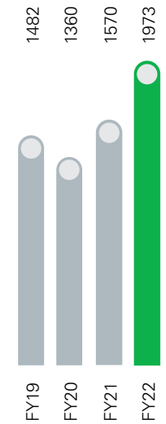


ROE
ROE (%)



Standalone

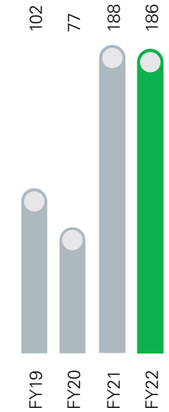
Revenue
(in ₹ crore)



EBITDA
(in ₹ crore)



PAT
(in ₹ crore)



Net worth
(in ₹ crore)



Share of non-asbestos
Share of non-asbestos
(% of total revenue)



Debt Equity Ratio
Debt equity ratio (in times)



ROCE
ROCE(%)



ROE
ROE (%)



Formulating a line of market-leading brands

With a focus on being a complete solution provider for building materials, we have formulated a trusted line of brands. With this, we are committed to provide our customers high quality products at affordable prices. With our brands Charminar, Charminar Fortune, Birla Aercon, Birla HIL Pipes & Putty, and Parador, we provide a complete end-to-end building material solutions.

Roofing solutions

We offer a wide array of roofing solutions ranging from asbestos cement sheets to eco-friendly non-asbestos sheets through our flagship brand, Charminar Fortune. The brand enjoys a leadership position in the segment and caters to a large and diverse customer base through its innovative solutions.

Charminar

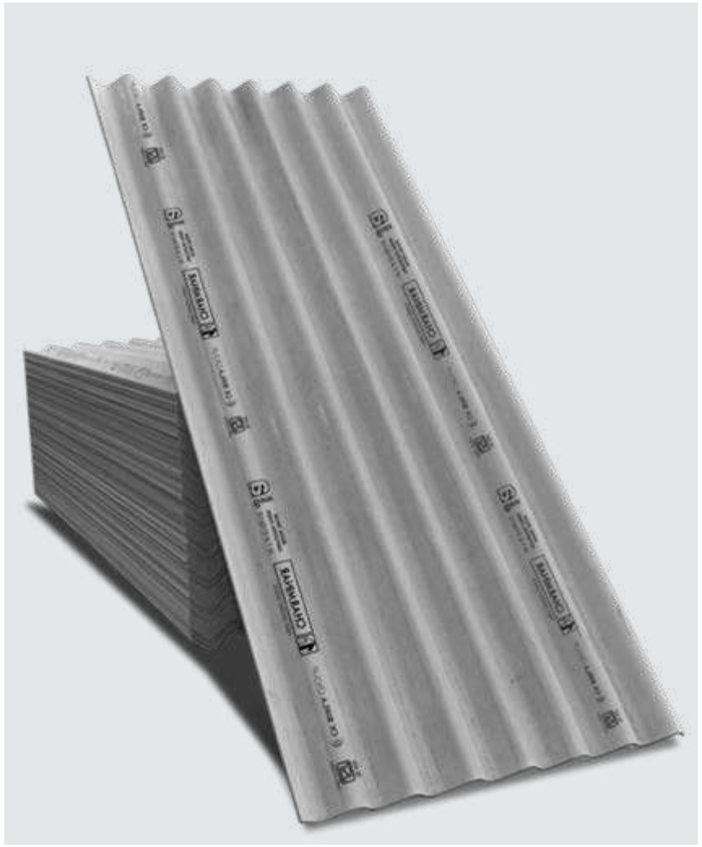
CHARMINAR®
Most Trusted Roofing Solution

Under our flagship brand, we sell fibre cement sheets which are one of the most popular products in our portfolio. We also sell coloured fibre cement sheets under Charminar+ to meet the rising consumer demand for aesthetic roofing. With its multiple features including high strength, pest and algae resistant, corrosion resistant and cost effective, the sheets can be used for almost all kinds of buildings.

1078000 MT
Capacity

6
Manufacturing facilities

29%
Share in revenue



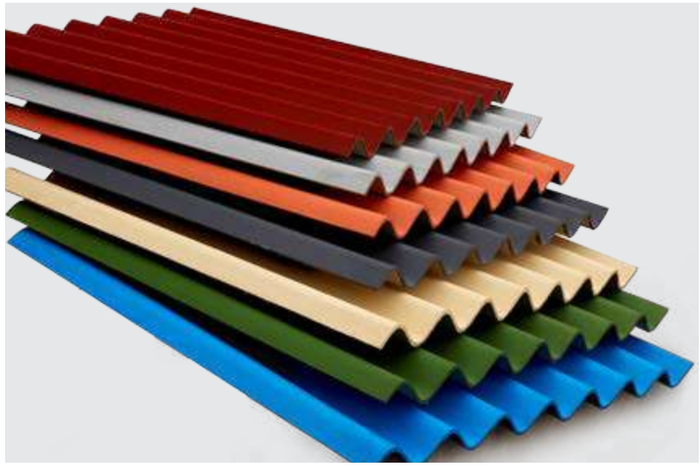
Charminar fortune

With the rising awareness about climate change, there is an increasing demand for eco-conscious products. We offer our sustainable and affordable autoclaved roofing solution through Charminar fortune. This non-asbestos roofing solution is durable as well as a sustainable option.

93600 MT
Capacity

1%
Share in revenue

2
Manufacturing facilities



Performance

Our roofing solutions business performed well in the reporting year. The business did see increase in cost of cement, fly ash, fibre, sea freight due to the overall economic slowdown. Even with the price-rise, we have been gaining market share. Our team is working on cost reduction methods which includes using alternative raw materials. We are also enhancing our manufacturing efficiency to stay a step ahead of our competition and we are confident of maintaining our industry leadership position.

17%
Revenue growth (Y-o-Y)

Crossed
₹ 1000 Crore
revenue in a year for the first time in FY22

Formulating a line of market-leading brands

Walling solutions

Birla Aerocon

BIRLA AEROCON BUILDING SOLUTIONS

We provide a one-stop solution for all building needs under Birla Aerocon. We offer wet walling and dry walling solutions under this brand. The product portfolio includes AAC blocks, dry mix products, cement sandwich panels, boards and joining compounds.

9
Manufacturing facilities

873000 CUM
Blocks capacity

54000 MT
Boards capacity

24000 MT
Mortar capacity

89000 MT
Panels capacity

11%
Share in revenue

Wet walling

Our wet walling solutions include load-bearing and energy-saving construction material that require curing. The products offer an affordable and eco-friendly walling solution.

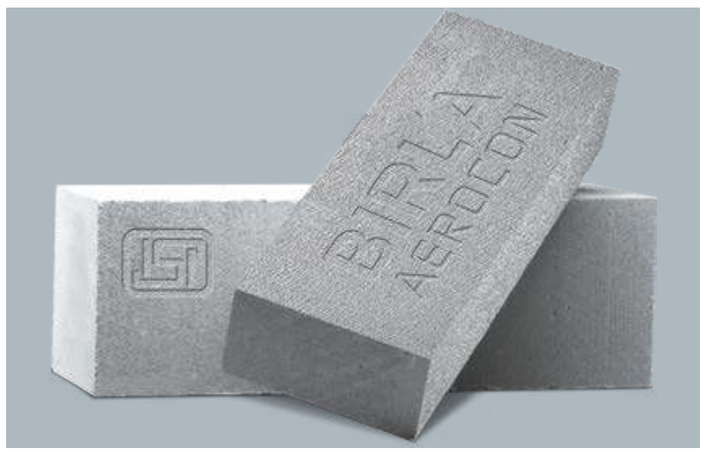
The product offerings under wet walling are as follows:



Ready mix plaster



Block joining mortar

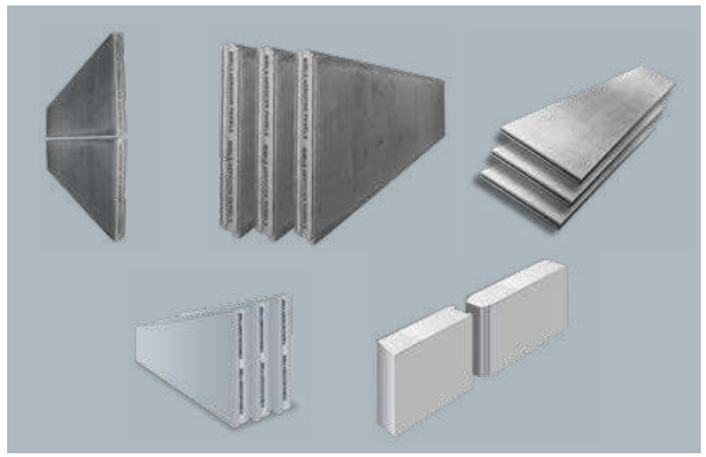


AAC blocks

Dry walling

Our dry walling solutions include pre-cured, high-performance, light-weight and ready to install products.

The product offerings under dry walling are as follows



Panels



Smartbond



Fibre cement boards

Performance

We were able to deliver strong performance in the reporting period with a 44% growth in revenue and 86% growth in PBT. The growth was a result of high-capacity utilisation and a healthy demand in the building material industry. We are also planning on expanding our geographic presence and further enhancing our capacity utilisation to fuel further growth.

44%
Revenue growth (Y-o-Y)

₹ 400 Crore
Achieved

Formulating a line of market-leading brands

Polymer solutions

We offer wide range of plumbing solutions and polymer wall putty under this segment. The putty, under Birla HIL putty, is manufactured using true colour technology. This innovative and technically superior process enables true reflection of the selected paint shade.

31369 MT
Pipes and fittings capacity

273000 MT
Putty capacity

15%
Share in revenue

5
Manufacturing facilities

BIRLA | HIL

Product offering under Birla HIL pipes are as follows:

Birla HIL Pipes

We offer plumbing solution which includes CPVC, UPVC, column pipes, SWR, pressure pipes and fittings under the Birla HIL pipes. Through this brand, we cater to the household, industrial and commercial customer segments. The pipes are eco-friendly, anti-microbial and cost-effective, making it suitable solution for drinking water.

Birla HIL Putty

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



Performance

Our profit margins for the polymer solution business remained constrained due to volatility and high price of resin and other polymers and chemicals. Even the putty business was impacted due to high material cost and market competition. Even in this challenging year, our expansion strategy helped us attain growth.

36%
Revenue growth (Y-o-Y)

Crossed
₹ 500 Crore
revenue in a year for the first time in FY22

Flooring solutions

PARADOR

Parador, our leading brand from Germany popular for its design and innovation in flooring solutions has helped us foray into the flooring segment and allowed us to be a complete construction solutions provider. Parador is globally known for its laminate, engineered wood and vinyl flooring. The brand creates relevant products and solutions to deliver enduring value to the customers. The Parador Online Brand Store has already received a huge response which helped Parador to lead the segment and be a recognised brand in Europe.

15MSQM MT
Capacity

44%
Share in revenue

2
Manufacturing facilities

Product offering under Parador are as follows:


Laminate flooring


Engineered wood flooring


Vinyl flooring


Design flooring

Performance

Parador faced a huge scarcity of raw material, skyrocketing input costs, increase of energy and sea freight costs, which significantly impacted our operations. Multiple selling price escalation, long-term supply contracts and optimising product mix helped partially offset the cost burden. We continue to expand in Europe and China continues to be a major market for us.

5%
Revenue growth (Y-o-Y)

Harnessing innovation to stay ahead of the curve

Our R&D centre

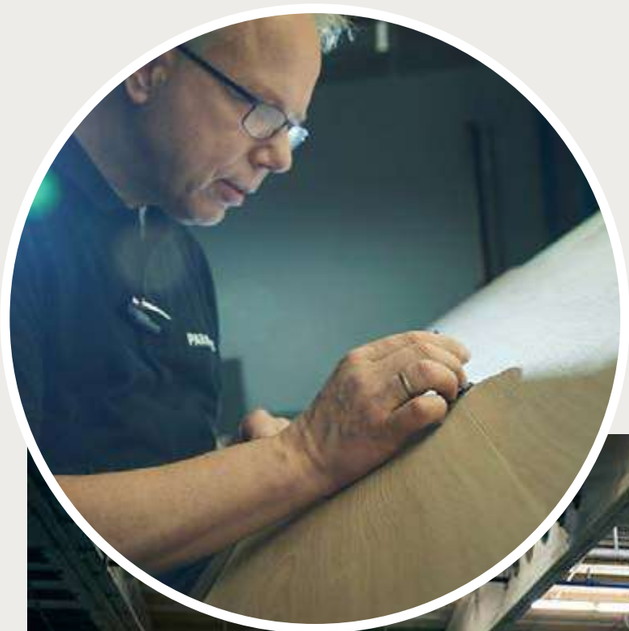
To stay ahead of competition, we have implemented process improvements and have conducted research on industry shifting dynamics. We are the first real estate company to establish a state-of-the-art research centre to produce cutting-edge technology products. To improve existing products and develop new ones, we work relentlessly to develop and improve various raw material compositions. With new formats, cutting-edge technology, and the highest quality standards, we are always adopting latest innovations, fresh thinking and big ideas.

2
R&D centres

We have consistently invested in R&D throughout the years, improving our technologies across all of our manufacturing facilities. We have been able to produce more efficiently and productively as a result of our continued investments in technology.

₹ 23.40 Crore
R&D spend over the last five years in India

31
Patents





R&D philosophy

We invest in world-class technological development, notably in green building products that are environmentally beneficial. The Company has received a positive response to its continuous R&D efforts. Our well-experienced, qualified, and fully dedicated team actively works with the organisation's business development teams to enhance overall operational efficiency. HIL has consistently invested in R&D and technology upgrades across its manufacturing units over the years. As a result of these long-term investments in technology, the Company has been able to produce technologically advanced and highly efficient products.



Engineering solutions

We have a modern engineering division to conceptualise our research efforts. Our engineering division has a full-fledged design office equipped with essential software, as well as a production facility that includes a heavy-duty fabrication shop, a machine shop with all modern machines, a complete assembly shop, and a quality assurance department. As a result, we are now a prominent system integrator in India and abroad for special purpose equipment. Our strength has been adding value to the business through reverse engineering and project engineering concepts, earning HIL a well-known reputation in the industry.

Harnessing innovation to stay ahead of the curve

Digital transformation

Being a technologically empowered and data-driven business, we have succeeded and sustained the challenging market environment in the fast changing digital ara. With comprehensive systems and procedures, we are transforming our manufacturing processes to adopt and stabilise Industry 4.0 norms. The digital tools are game-changing and have a favourable impact on our Company.
To improve our response, we have implemented flexible and scalable digital solutions across the organisation with multi-year initiatives that allows us to take advantage of automation-driven technologies such as artificial intelligence, predictive analytics, robotic process automation, and the Internet of Things (IoT).

Smart manufacturing

Consumer centricity

Transparency and traceability

Process optimisation

Real time data for informed decision

Data analytics

We have launched a business intelligence platform for enterprises, complete with automatic KPI dashboards and reporting. We are able to transform our data into a highly accessible and reusable asset. This allowed us to use data analytics to provide teams with instant access to accurate information, allowing them to make quick and informed decisions. The elimination of manual data processing has enhanced the data integrity, focus on cash management and operational efficiency thereby achieving better returns.



The Company has successfully implemented:

a. Industry 4.0 for 13 plants
b. Transport management system
c. Robotic Process Automation (RPA)
d. Business intelligence
e. Workflow for finance
f. Sales force automation

Digitization:

Innovation and Digitalization continue to be the crucial drivers of HIL's evolution. During the year, we continue to leverage technologies like IoT (factory automation), data analytics, robotic process automation, Back Office Automation and Sales & Marketing digitization to cater to business needs and accelerate growth. We have digitized four more shop floors and we are proud to say that nine of our plants are completely connected now on Industry 4.0. Further to this, we are focusing on solutions like predictive maintenance, predictive quality to increase throughput and reduce costs.

On the supply chain front, we have introduced transport management system that enhances our logistics processes. With features like digital indenting, truck tracking, electronic proof of delivery, quick transporter payments, this system has helped us simplify our operational hassles. Robotic Process Automation of few processes in operations continue to give savings in man efforts.

Our efforts on making data accessible continue to reap benefits, by enabling and empowering users to take better decisions. We are now investing our energy in extending the same to our front line teams.

We have enabled elastic hyper converged infrastructure to decrease data center complexity and increase scalability, further modernizing our data center infrastructure. With today's business continuity being more dependent on technology than ever, cyber security has gained immense importance. Cyber-attacks can no further be curbed by antivirus software or firewalls. With the no longer a question of "if" cyber-attacks will happen but rather "when", HIL has strengthened its three pillars of Cyber Security (People, Process & Technology) by implementing multiple tools to protect our assets from unwanted cyber-attacks like Zero Trust Application, Enterprise IDS (Intrusion Detection System) & IPS (Intrusion Prevention System).

Life at HIL

Creating a thriving work environment

We are a seven decade old organisation with a rich history, but we're also young at heart, celebrating our cultural variety as much as our achievements. Growth is a fun-filled adventure here, with people from all walks of life sharing a common desire to succeed. We enjoy shattering glass ceilings in order to create a new and fascinating environment. Our 'open work culture' encourages transparent communication and helps keep the employees in sync with the vision and goals of the organisation. 'ONE HIL' is the guiding idea that pervades our entire culture. We believe in empowering and motivating our employees to forge a thriving work environment.



3803
Workforce

Encouraging camaraderie

Our employee engagement initiative, JOSH, draws us all together, infusing us with greater vitality through the pleasure we experience at work. We want HIL to be a globally recognised organisation as well as the most exciting place to work.





Learning and development

Learning and Development of its employees has always been at the core of HIL's growth philosophy. Last year, we continued to focus on building employees' future capabilities across levels for which various programs on leadership development, business process excellence, data analytics etc. were conducted for our high potential employees. The learning interventions were further refined based on feedback from stakeholders and business requirements. Along with one of the Big 4s, we have also developed the Career Management Framework which will enable employees to work on their chosen progression within HIL. This framework includes Functional and Behavioral competencies for each generic role along with career options to choose from. HIL believes in building a strong leadership pipeline and upskill it's employees towards achieving the organizational goals.



Employee health and safety

The Company believes that a clean environment in and around the work place fosters health and prosperity for the individual, the group and the community they belong to HIL system of risk management is designed to reduce environmental incidents and occupational injuries and illnesses. Our EHS Policy formally establishes our focus on environmental protection and occupational health and safety at every level. A key component of the overall risk management strategy is the implementation of a robust EHS Management thorough set of management and technical standards for key EHS risk areas across our business. To help protect our employees from injuries, we identify high risk areas and invest in a wide range of technological solutions and awareness-raising initiatives.

17500+
training man-hours imparted

2500+
Occupational health check-ups done for employees and contract workmen

6000+
activities identified and risk assessment done

0
Workplace acquired illness

10
New Safety standards procedures introduced

70+
Work place environment monitoring's done

Great place to work

For the fourth year in a row, we have been named a 'Great Place to Work' for the fiscal year 2022-23. With trust being at the heart of encouraging a great workplace culture, the trust index score has risen from 86 last year to 94 this year, increasing by 8 points. This prestigious award is a testament to our ongoing efforts to cultivate and maintain a high-trust and high-performance culture.

94
Trust index score

#57
India's Best Companies to Work for 2022

Top 30
India's Best Workplaces in Manufacturing 2022

Best workplaces
in Cement and Building Materials - 2022

Great Place To Work. Certified JAN 2022 - JAN 2023 INDIA

ONE HIL

At HIL, it's the sense of belongingness and pride of being a part of a large family. We truly believe that our employees are our biggest assets and the catalysts in our growth trajectory. ONE HIL has and will always enable us steer our way successfully to achieve our objectives with responsibility and respect.

We are proud to have received a few prestigious awards during this year:



Amongst Top 100 Best Companies to Work for 2022, 3rd year in a row. Ranked at 57 this year.



GPTW re-certified 4th year in a row with an engagement score of 94 as against 86 of LY.



Best Workplaces in Cement and Building Materials, 3rd year in a row.



Top 30 in Best Workplaces in Manufacturing, 3rd year in a row.

Connect

At HIL, management has always acknowledged and promoted free and open communication thereby building trust and a transparent work environment. Regular town halls by Mr Dhirup Roy Choudhary, Managing Director and CEO, open feedback sessions, Man Ki Baat - MD Ke Saath, MD Connect and many other employee connect programs are implemented.

Chairman and MD connect

Our Chairman Mr.CK Birla joined and connected with the employees at large during this year. He welcomed all the suggestions from the employees and replied personally with the inputs and steps that are planned to be implemented in the coming years in the best interest of employees and HIL.

Our Managing Director and CEO too was actively involved in meeting the employees for an open conversation, meeting the women employees, listening to their needs and taking necessary steps to address the concerns. He conducts the town halls at frequent intervals and personally takes interest in connecting with all employees irrespective of their designation.

नयी दिशा
Nayi Disha

GMS
Grievance Mgmt



Environmental, Social and Governance (ESG) practices at HIL

HIL is committed to uphold the principles of Environment, Social and Governance practices demonstrating responsible behaviour toward these factors and recognises them as business enablers.

Leadership at HIL recognises that climate change is a pertinent factor in affecting of people, operations and society at large as we are committed to act responsible and deliver our products using innovation toward protection and conservation of energy and environment. We have devised our operations surrounding eco-friendly business practices, innovation, energy management, emission reduction, raw material procurement and waste management.

While the economies across the world grappled the challenges in economic, social and environmental dimensions of sustainability including climate change, biodiversity loss, malnourishment, economic inequity, social insecurity to name a few. Businesses across the globe have recognized the need to imbibe the principles of environmental and social aspects across the value chain which in turn gives them credibility and an edge when it comes to risk management.

HIL truly believes in driving a positive change with ESG at the core of all its operations. The organization is aware of the consequences if environmental, social, and governance (ESG) problems are not addressed. Having said this, ESG processes at HIL focus on non-financial aspects that demonstrate the organization's commitment towards addressing its environmental and social impact. It also prioritizes the interests of the stakeholders, enabling the aspirations of its people and strengthening the communities within which it operates. With an aspiration of environmental stewardship, HIL focuses on use of sustainable raw materials, development of eco-friendly products, greener manufacturing, energy efficiency, use of renewable energy, water management and adoption of circular economy.

HIL focuses on the prudent commercial practices, health, safety and social impact of its employees, good governance practices towards its stakeholders while deploying effective engagement mechanisms and community development programs. To achieve all its ambitions, HIL has a sound governance framework in place which fosters a culture of ethics, transparency and integrity.



Environment

Looks at how the organization performs as steward of natural environment

- Safe use of Asbestos
- Energy
- Water
- Circular economy
- Innovation



Social

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

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



Governance

Looks at how the organization addresses sustainability aspects transparently

- Policies & Procedures
- Sustainability Communication



Environmental stewardship

Climate change is a major concern for our future, and we have adopted a number of initiatives to address it. To minimise our ecological footprint, we have focused on energy management, raw material sourcing, waste management and innovation. To reduce our environmental effect, we have improved operational efficiency and implemented the 3R principle (reduce, reuse, recycle) throughout our plants.

Waste management - Environment consciousness

HIL believes in responsible corporate citizenship and is focussing on its efforts to transition to a circular economy by optimising its material handling, operations and minimizing waste generation and maximizing recycling/ reuse. HIL complies with all relevant legislations with respect to handling and management of waste at the manufacturing facilities. As a part of wet walling solutions, the company offers a range of products which utilizes alternatives such as fly ash as raw material.

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



Environmental, Social and Governance (ESG) practices at HIL

Safe use of chrysotile Asbestos

Committed to its principle to deliver products and services that are safe, sustainable and environment friendly, HIL focuses on sustainability across its value chain i.e. raw material to end of use. Being a market leader in roofing solutions, HIL manufactures the products ensuring conformity to environmental and regulatory requirements. One such example is the use of chrysotile asbestos, which occurs naturally in abundance and can be used safely under controlled conditions. It is chemically different than other types of asbestos. The company uses chrysotile asbestos fiber[1] imported from Brazil, Russia and Kazakhstan.

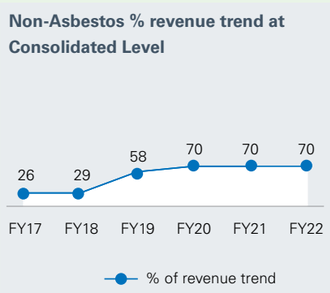
Our fiber imports are subjected to stringent pollution control laws. To address any environmental concerns, chrysotile asbestos is imported in pressure packed bags unitised into pallets that are designed by HIL and adopted by fibre producers. These pallets are downloaded using cranes and transported to godowns and shop floor using forklifts in order to avoid any human contact. HIL takes appropriate measures to control the release of asbestos fibers by installing dust suppression instruments-dust enclosures and extraction systems. These environment engineering controls are developed in house and are rated as one of the best low cost pollution control equipment in the world, by experts. These measures focus on controlling the spillage and minimizing the impact on the work environment and human health and are thereby deemed to be safe. HIL continuously monitors the fiber concentration in the work atmosphere and the stacks and ensures it is within the permissible limits.

HIL has an in-house R&D team which continuously innovates and contributes towards reduction in use of fibre. Over the years, the fibre content has been reduced in the Roofing Solutions due to alternative materials such as cellulose pulp, mineral and synthetic fibers. This reflects HIL's commitment towards development of eco-friendly products. While, the organization uses Chrysotile asbestos to manufacture AC sheets, HIL practices proper handling and processing in accordance to the regulatory norms ensuring a safe process with no risk to employees. As Chrysotile asbestos fibres are firmly bound in layers of cement, on ageing, there is no release of fibres into the environment ensuring no hazard to users and the environment. Further, stringent controls are in place for asbestos transportation as a testament to HIL's commitment towards environmental stewardship.

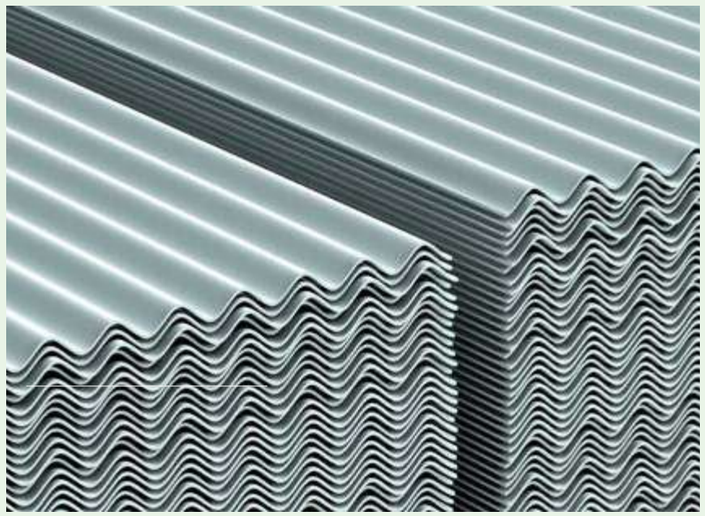
HIL strives towards exploring options to increase its non-asbestos based products by using scientifically evaluated alternatives. In line with this, the Company's R&D team has developed patented products such as Charminar Fortune, a non asbestos product, thereby transitioning towards sustainable business practices. This sheet, manufactured using recycled raw materials, is non-toxic, sustainable and meets the specification as per IS 14871:2000.

Consequent to the foregoing the organization's effort towards product diversification is the steady growth in the revenue from non-asbestos products such as Birla Aerocon sandwich panels, Type A & Type B fiber cement board, a wide range of Pipes and fittings solutions, Wall care putty, AAC Blocks and Wooden flooring amongst others. HIL also has a dedicated line installed in Faridabad to manufacture non-asbestos products. As proof of its efforts, revenue % from non-asbestos containing products has increased from 26% in FY 17 to 70% in FY22 as shown in the figure alongside.

Non-Asbestos % revenue trend at Consolidated Level



[1]U85(5th grade-Russian fibre), 6D(6th grade),4Z(4th grade),4T(4th grade),5K(5th grade),4K(4th grade)

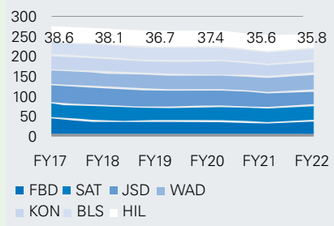


Energy:

The production processes of a company are often the topmost contributors of greenhouse gas emissions. Recognizing this, HIL has introduced process improvements like development of an additive which helps to reduce cement consumption amongst others. Considering the need of the hour, social implications and the steady depletion of natural resources, HIL continues to take efforts to foster a culture to conserve natural resources. The company has been creating an energy efficient environment through various measures. HIL has been successful in achieving energy savings through relentless efforts and awareness amongst its employees through various initiatives including capacity optimisation, idle running time elimination, usage of energy efficient equipment (such as VFDs, LED lights, capacitors), use of Electric Overhead traveling (EOT)crane, to name a few. These energy efficiency initiatives have resulted in significant savings, resulting in substantial cost reductions.

Demonstrating its commitment towards contributing to India's transition towards low carbon economy, HIL has been promoting the use of renewable sources of energy. Captive solar energy plants have been installed in Faridabad and Chennai with a capacity of 528 kW increasing HIL's renewable share in overall energy mix. carbon credits are also generated through windmills and solar farms for development of Autoclaved Aerated Concrete (AAC) blocks. As of the last financial year, we have generated an estimated 432218 credits till December 2020 and we expect to generate estimated 124730 credits by May 2022.

Power Consumption (KWh/MT)





Water Management:

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

78000+

KL water harvested through rainwater harvesting in FY' 22



Environmental, Social and Governance (ESG) practices at HIL



Empowering underserved communities

Through our CSR efforts, we aim to empower marginalised areas by creating substantial and long-term social impact. We believe in producing shared value for all stakeholders and have put in place a number of initiatives to do so.

Employee Engagement & Wellbeing:

HIL strongly believes in its purpose as well as recognises in creating shared value for all stakeholders be it internal or external. HIL understands that motivated and dedicated employees are its foundation for success and has provided a sustainable, evolving with times a holistic workplace culture to nurture the workforce of tomorrow.

In order to build a foundation of trust and transparency, HIL has launched "Nayi Disha" portal which serves as a platform for employees to provide innovative ideas/ suggestions ranging from cost/ wastage control initiatives to new product development ideas to strategic market expansion. Further, the company is committed to providing effective training programs to ensure skill development of the employees for current and future roles. During FY22, HIL continued its focus on learning & development, resulting in 9169+ man hours of trainings. In addition to this, HIL has also initiated an open conversation platform for employees to connect with the MD & CEO via an online program called "Mann ki bath, MD ke sath".

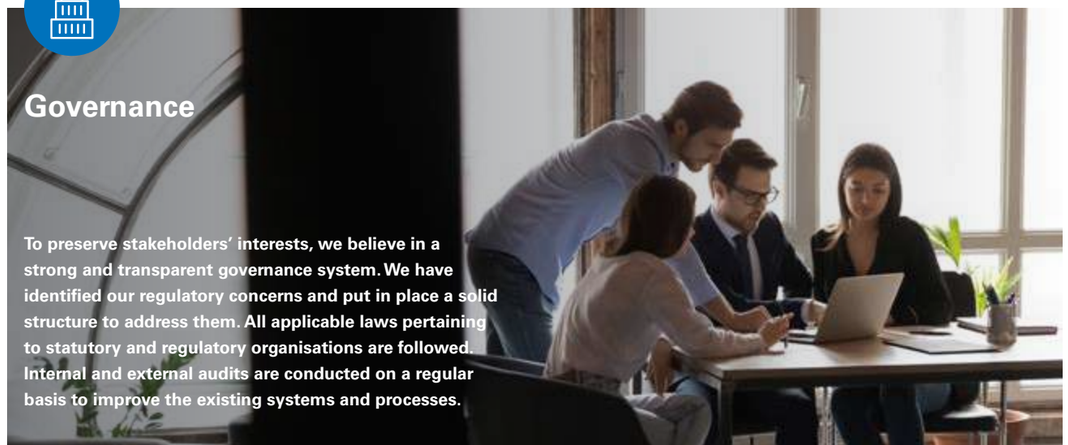
We at HIL strongly believe that laying a strong emphasis on the holistic wellbeing of its employees will stretch its potential to reach greater heights. In line with this, the company has engaged with "YourDost", an online counselling and emotional support platform, to support its employees and their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

All these initiatives garner immense employee support and have fostered employee motivation and a sense of belongingness in the organization. This has resulted in diligence at work and ardent faith in the leadership. As a mark of this faith and trust HIL was ranked at 57 with a trust index of 94 for 2022-23 under GPTW certification. It is this faith that fuels the machinery of progressive growth and effective stakeholder management, both internal and external at HIL.

Community:

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

HIL carries out a systematic approach to identify the needs of the community based on which the programs are structured and implemented. While the primary focus area includes empowerment of the girl child, some of the programs under CSR pertains to creating physical infrastructure in nearby villages like school buildings, development of water borewell, building community toilets, school benches, etc. During the pandemic, HIL also supported the communities by providing inhouse manufactured sanitizers to aid in their battle against COVID. Further, monetary support was provided to carpenters, masons etc. to manage during these unprecedented times. As a responsible Corporate citizen, HIL adheres to all the norms governing CSR as per the Companies Act.



Governance

To preserve stakeholders' interests, we believe in a strong and transparent governance system. We have identified our regulatory concerns and put in place a solid structure to address them. All applicable laws pertaining to statutory and regulatory organisations are followed. Internal and external audits are conducted on a regular basis to improve the existing systems and processes.

HIL strongly believes in prudent business practices founded on principles of good governance therby holding out as a responsible corporate citizen. To promote a culture of integrity and ethics, HIL has a structured corporate governance system in place to ensure that all sustainability issues are effectively addressed. In line with the same, sustainability aspects are discussed periodically at the board level, showing the organization's commitment towards it. HIL has policies in place to ensure transparency and ethical behaviour such as the code of conduct, whistle-blower awareness policy, POSH, among others. . The organization strives to develop policies that shall support sustainability in every aspect.

HIL has a comprehensive risk management system in place administered through a well laid out process through which prevalent risks are identified, monitored and mitigated given the ever changing digital risk, environment risks, regulatory risks such as risks arising due to usage of asbestos, legal and environmental noncompliance among others. To address this, a Risk and Control Matrix has been developed for all the plants, depots and corporate processes, including the entity level controls and are closely monitored. HIL also has an online platform- Kavach- in place to ensure 100% compliance to the regulatory norms.



Environmental, Social and Governance (ESG) practices at HIL

Innovation:

HIL strongly believes that innovation is the key to deliver products that suit the customers, regulators, conserve and protect environment and accordingly has at all times focussed on developing and delivering customer/user focused products through a strong innovation foundation. HIL has developed patented non asbestos products which are further proof of HIL's diversification towards environment friendly products.

HIL has also launched various digital initiatives such as Industry 4.0, Kavach tool and online auctions. The digital data management has resulted in an increase in process efficiency. Real time data collection and analysis tools have enabled efficient monitoring for energy, water consumption.

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



Environment Health & Safety (EHS):

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

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

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

HIL has a first of its kind medical surveillance program in the country headed by Occupational Health professionals. Aim of Medical surveillance program is not only to prevent Occupational health diseases but also to prevent life style diseases and promote good health. In addition to this, to create awareness among the employees and contractors on health and safety, HIL imparts regular training sessions such as training during induction and refresher trainings periodically. Even after retirement or leaving service, HIL follows up regarding the employees' health as per statute. Occupational health professionals of HIL were members in the expert panel in selecting radiographs that help in diagnosing asbestos related disease and also teaching OH professionals. This expert panel has also designed a set of slides that help in counting of asbestos fibres and training new professionals. Many "training the trainer" programs were conducted by HIL in the field of Environment, Occupational Hygiene and Occupational Health to promote the cause of safe environment and health in the industry. HIL is paving its way towards digitizing the process. In line with the same, a software is in pipeline that shall capture injury rates, internal audit reports, unsafe conditions, corrective actions, injury data, trainings etc and shall act as a central dashboard that shall provide a snapshot view of all KPIs.



Future outlook

HIL's vision is to reach the target of $1bn by 2026 through development of green products. There are numerous developments underway to realize this goal. Foray into AAC blocks, Pipes and Fittings, Putty, Wooden Flooring and Construction Chemicals are prime examples of HIL's endeavour in this regard. HIL's focus on reducing its energy intensity and its push towards adopting renewable energy such as wind and solar are key to achieving its aim for sustainable growth. To formalize this, a defined sustainability strategy and framework is underway, which would be completely integrated with the business strategy and global best practices. This would also support in institutionalizing sustainability programs and initiatives throughout the organization.

Board of Directors



Mr. CK Birla
Chairman

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



Mr. Dhirup Roy Choudhary
Managing Director & CEO

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



Mr. VV Ranganathan
Independent Director

Mr. VV Ranganathan is an accomplished finance professional with over forty years of variegated experience in India and overseas. He graduated in commerce with a gold medal and qualified as a Chartered Accountant and was later admitted as a fellow member of the Institute of Chartered Accountants of India. He was also enrolled as a member of other professional bodies during his service tenure. He was a Senior Partner and Country Head for Quality & Risk Management and served on the governing board of one of the leading big four global services firms.



Mr. Desh Deepak Khetrapal
Non-Executive Director

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



Mrs. Gauri Rasgotra
Independent Director

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



Dr. Arvind Sahay
Independent Director

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

Leadership Team



Dhirup Roy Choudhary
Managing Director and CEO



KR Veerappan
Chief Financial Officer*



Hemchandra Peruvelli
Chief Human Resource Officer



Nagendra Pai
Business Head Roofing and Building Solution



Stefan Kükenhöhner
Chief Sales Officer – Parador



Arun Magoo
Business Head Polymer Solutions



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



Iqbal Krishen Pandit
Head Quality Assurance and Operational Excellence

*Resigned w.e.f. May 10, 2022



Gururaj Buchalli
Head Manufacturing Roofing



Dr. Satyanarayana
Head Research and Development



Vijay Lahoti
Head Sales Roofing



Manish Kothari
Head Strategy



Purav Gala
Head Internal Audit



PK Jhunjhunwala
Senior Vice-President (Group Office)

Celebrating Achievements



Most Promising Business Leaders of Asia , 2022 - The Economic Times



Top-Innovator 2022 - Top 100



German Design Award 2022



One of the Most Trusted Brands of India 2022



Best Brand in the Building Materials and Fittings Industry



Certificates Brand of the Year Water Technologies



Certificates Trusted Brand of Year



India's Most Ethical Award



Interior & Exterior Awards 2022



India's Most Trusted Brand Awards 2021



Reddot Design Award



Most Trusted Brands of India



Good Design Award 2022



Annual Mutimedia Award 2022

Corporate information

Board of Directors

Mr. CK Birla
Chairman

Mr. Dhirup Roy Choudhary
Managing Director & CEO

Mr. Desh Deepak Khetrapal
Non-Executive Director

Mr. VV Ranganathan
Independent Director

Mrs. Gauri Rasgotra
Independent Director

Dr. Arvind Sahay
Independent Director

Key Managerial Personnel

Mr. KR Veerappan
Chief Financial Officer
(Resigned w.e.f. May 10, 2022)

Mr. Mahesh Thakar
Company Secretary & Head Legal

Bankers

HDFC Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

Kotak Mahindra Bank Limited

State Bank of India

Federal Bank Limited

ICICI Bank Limited

Statutory Auditors

M/s. B S R & Associates LLP
Chartered Accountants

Secretarial Auditors

P.S. Rao & Associates
Company Secretaries

Cost Auditors

S.S. Zanwar & Associates

Registrar & Share Transfer Agent

M/s. Venture Capital and Corporate Investments Pvt. Ltd.

Registered Office Address

Office No. 1 & 2, 7th Floor, SLN Terminus, Near Botanical Garden, Gachibowli, Hyderabad-500032, Telangana, India
Phone: 040-6824 9000

Corporate Identification Number:
L74999TG1955PLC000656

Board's Report

Dear Members'

Your Directors take pleasure in presenting the 75th Annual Report along with Standalone and Consolidated Financial Statements for the year ended March 31, 2022. Your Company commits to a disciplined path of progression to redefine itself as a one stop end to end building solutions provider. On the business front Roofing Solutions business delivers highest Volume, Revenue and EBIDTA; the solution based approach driven by technical teams enables highest ever realisation levels in Building Solutions business and the Polymer Solutions business delivers 36% growth Y-o-Y for the second consecutive time. The European Flooring business produces consistent performance amidst severe head winds created by raw material availability and geo-political situation. Your Company has also decided to venture into a new business vertical of Construction Chemicals in the coming year, for which the test launches have already started.

Your Company's initiative of "OneHIL" a well-knit family value, has paid back immensely, infusing passion amogst the employees, driving businesses to achieve good market shares in domain products, generating new ideas for cost savings, improving liquidity, cost optimization, effective customer connects through digital initiatives, monitoring newer opportunities, lean & productive operations: all delivering huge engagement & value for stakeholders. Close monitoring of business segments on a daily basis brought further harmony and impetus in converting and achieving every possible opportunity.

Your Company operates in competitive markets and recognizes the underlying challenges and accordingly stays agile in aligning its strategies and objectives to maintain market leadership by introducing new and innovative products and services which are eco-friendly. Optimum use of Digital initiatives, business intelligence tools and heat maps enables businesses to monitor and focus on greener pastures and newer opportunities with customers in Tier 2 & Tier 3 cities. During all our business endeavors, your Company has continued to stay close to the communities, investing through its CSR budget by supporting initiatives and Covid medical care.

HIL believes that the biggest assets is its committed and passionate employees. Continuous endeavour to keep them safe during Covid pandemic, while proposing several people supported policies has been the prime focus. Corporate governance and ethical practices have been passionately driven with zero non-compliance across all locations and as a continuous process robust SOPs, work instructions have been modified to suit the purpose.

Amidst strong headwinds due to material unavailability / price volatility, sea freight explosion and a weak rural sentiments, your Company delivered the highest ever Profit Before Tax (PBT) overcoming all the challenges with grit and determination to succeed. Revenues remained buoyant with a good increase over previous year with stringent focus on new markets, expanding product base and getting the right product mix. Strategic market mapping and in-depth tabs on each region, ensured your Company on a growth trajectory and registered a 26% growth in India and 16% globally on its top line while maintaining its leadership position.

The severity of challenges was far more in the European context where PARADOR had faced huge scarcity of raw materials and doubling of key raw material costs. Other challenges like increase in energy costs and tripling of sea freight impacted the operations. Yet PARADOR registered growth in top line over last year. Our European team has taken determent effort towards augmenting multiple selling price escalations across product categories, entering long-term supply contracts with key dependable raw material suppliers, improving product mix and continuously working on cost base, which have all supported towards partially offsetting the impact of cost adversities. Further, towards the end of the year, the geopolitical crisis between Russia and Ukraine as well as the severe COVID spread in China have further impacted the availability of wood products, vinyl products, increased energy and freight costs. Relentless efforts are being made to mitigate these challenges too by innovative sourcing strategies to reduce dependency on Ukraine.

With the above brief synopsis, your Directors are pleased to present the financial performance of the Company, both on standalone and consolidated basis, for the year ended March 31, 2022:

Summary of Financial Results

(₹ Crore)

Particulars	Standalone		Consolidated	
	2021-22	2020-21*	2021-22	2020-21*
Total Income	2005.45	1596.45	3550.68	3066.19
Earnings Before Interest, Depreciation and Amortisation & Tax	306.63	260.26	421.85	428.09
Less : Interest	4.51	18.69	12.61	27.84
Depreciation and Amortisation	53.81	49.18	116.30	108.97
Profit Before Tax and Exceptional items	248.31	192.39	292.94	291.28
Add/(Less): Exceptional items / Profit / Income from JV	-	-	2.18	1.14
Profit before tax from operations	248.31	192.39	295.12	292.42
Less : Taxes	62.48	49.57	84.68	77.60
Profit for the year from operations	185.83	142.82	210.44	214.82
Profit before tax on sale of discontinued operations	-	60.56	-	60.56

(₹ Crore)

Particulars	Standalone		Consolidated	
	2021-22	2020-21*	2021-22	2020-21*
Less: Taxes on profit on sale of discontinued operations	-	15.64	-	15.64
Profit from sale of discontinued operation	-	44.92	-	44.92
Total Profit before tax	248.31	252.95	295.12	352.98
Less: Total taxes	62.48	65.21	84.68	93.24
Total Profit for the year	185.83	187.74	210.44	259.74
Other Comprehensive Income – net of tax	(0.39)	0.08	(7.56)	9.14
Total Comprehensive Income for the year from operations	185.44	142.90	202.88	223.96
Total Comprehensive Income for the year	185.44	187.82	202.88	268.88
Basic Earnings Per Share (₹)	247.73	250.74	280.54	346.89
Diluted Earnings Per Share (₹)	246.12	249.89	278.72	345.72

*the above mentioned financial numbers include income and profit generated from discontinued operations

REVENUE

Your Company achieved a net revenue from operations on standalone basis at ₹ 1973.48 Crore as against ₹ 1565.89 Crore in the previous year, an increase of 26% and on consolidated basis registered a net revenue from operation at ₹ 3520.24 Crore against ₹ 3043.57 Crore in the previous year recording a growth of 16%. This trajectory is expected to continue in the coming years as well. Various aggressive cost saving Initiatives and R&D interventions along with lean operational models have helped us to redefine our cost base thereby achieving better cost optimization; augmenting the growth of your Company in coming years.

Company's Lead Generation & Management Portal, a one stop digital solution for all sales leads, augments leads from one business unit to the other, which in turn help the Company to service the customers at large across various class of cities. Further, enhancement of E-business portals and digital customer connects have made your company far more approachable and customer focused in this financial year.

INTEREST & LOANS

During the year under review, interest cost significantly reduced to ₹ 4.51 Crore on a standalone basis as against ₹ 18.69 Crore during the previous year. Your Company has taken this opportunity to redefine the working capital norms and re-shape the cost structure for each business with a lean set up to run the business more efficiently. On a consolidated basis, interest cost for the financial year 2021-22 stood at ₹ 12.61 Crore as against ₹ 27.84 Crore in the previous year.

Your Company has repaid during the year ₹ 80.17 Crore to banks at standalone level in India and ₹ 124.54 Crore to banks at consolidated level. The Debt Equity ratio on consolidated basis stood at 0.25 times as of March 31, 2022 against 0.41 times as of March 31, 2021.

PROFIT BEFORE TAX

During the year under review, your Company registered a standalone Profit Before Tax (PBT) from operations of ₹ 248.31 Crore as against ₹ 191.61 Crore in the previous year, recording a growth of 30%. This could be achieved as a result of financial discipline, detailed planning and sharper focus on initiatives to boost market leadership, improve Net Sales Realizations and adopting solution / market specific models. These timely actions have benefited your Company to deliver the best performing year in the history of HIL.

Profit before tax on a consolidated basis for the year 2021-22 stood at ₹ 295.12 Crore as against ₹ 291.64 Crore in the previous year, recording marginal growth.

NET WORTH

On a consolidated basis, the Net Worth of your Company as at March 31, 2022 stood at ₹ 1166.43 Crore as against ₹ 995.27 Crore in the previous year.

The Consolidated earnings per share (basic) for the year ended March 31, 2022 stood at ₹ 280.54 per share as against ₹ 286.12 per share for the year ended March 31, 2021 and the book value per share as at March 31, 2022 was at ₹ 1552/- as against ₹ 1328/- as on March 31, 2021.

CREDIT RATING

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

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

DIVIDEND

During the year under review, the Board of Directors declared an interim dividend of ₹ 20/- per equity share of ₹ 10/- each (200% of the paid-up value). Your Directors are pleased to recommend a final dividend of ₹ 25/- per equity share of ₹ 10/- each (250% of the paid-up value) and an additional final dividend of ₹ 20/- per equity share of ₹ 10/- each (200% of the paid-up value) to commemorate the celebration of Platinum Jubilee on completion of Seventy Five (75) years of incorporation for your consideration and approval at the ensuing 75th Annual General Meeting of the Company.

With the proposed final dividends, the total dividend for the year 2021-22 works out to be ₹ 65/- per equity share (650% of the paid-up value) as against the total dividend of ₹ 40/- per equity share (400% of the paid-up value) declared in the previous year.

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

The total dividend for the financial year is ₹ 48.84 Crore and the Company has transferred ₹ 10.00 Crore to the General Reserves out of the profits for the year.

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 23, 2022 to Friday, July 29, 2022, both days inclusive, for determining the entitlement of the shareholders for the final dividend for the financial year ended March 31, 2022 and for annual book closure.

The Record Date for payment of final dividend is Friday, July 22, 2022 for determining the entitlement of members for final dividend for the financial year 2021-22.

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

SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2022 was ₹ 754.11 Lacs. During the year under review, the Company has issued 21360 equity shares on exercise of options by an eligible employee and there are no shares with differential voting rights, nor sweat equity issued by the Company.

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed on National Stock Exchange India Limited and BSE Limited. The annual listing fees for the year 2021-22 has been paid to these exchanges.

During the year 2022, the Issued and Listed Capital of the Company has increased due to allotment of equity shares to eligible employee on exercise of options under HIL Employee Stock Option Scheme, 2015.

STATE OF COMPANY'S AFFAIR

Your Company has with grit and resilience overcome the challenges during the last year however, while the committed workforce has well aligned itself with the new business norms, the key focus of the Company remains to be Employee Health and Safety while ensuring profitable growth.

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

Your Company's in-house initiative "*Nayi Disha*", an Idea Management Platform enabling employees to share their ideas for cost optimization and growth of the business, has seen a qualitative response from the employees registering 1572 ideas from them. This platform is extensively utilized to harness employee involvement towards new idea generation and cost reduction.

Roofing Solution

Your Company has enhanced its market leadership position in this business backed by its loyal customers and retailers. Along with your Company's strong brand presence across rural India and focus on new dealer/sub-dealer recruitment and engagement activities, Digital Connect and 'Cash is King' approach has yielded a good outcome for the Company and helped to boost sales while improving net sales realizations.

To cater to the rural demand in the first quarter, we focused on inventory & logistics planning and worked out aggressive dealer wise targets, which helped gain exceptional market share in Q1. Despite the pandemic challenges, the last leg connects with our channel partners backed by firm commitment and passion of all our employees across functions have made FY22 the most successful year in the history of your company.

Our aggressive counter acquisition drive saw us achieve 1000 new counters during the year, enabling the roofing business to register an impressive double-digit growth in volume terms over the previous year. Your Company is confident to further consolidate its leadership position in this industry.

"Charminar" and **"Charminar Fortune"** brands continue to enjoy the trust of the customers backed by your Company's enhanced Customer-centric approach, unparalleled quality, enhanced after sales customer service, deep routed supply chain network and widely spread depots and dealer network. This has helped the Company to mitigate the headwinds faced in the industry with ease.

Building Solutions

Building Solutions business consists of Wet Walling and Dry Walling solutions, which cater to various requirements of building industries/commercial spaces/Covid centers/ Labour hutments and infrastructure segments. Due to the pandemic and lockdown, overall demand was low during H1, but as the construction activities picked up from third quarter onwards - our all-out efforts resulted in improved Business performance during the second half of the year.

In order to get better realization for your Building Solutions products, we cherry-picked customers and markets closer to the manufacturing plants and aggressively focused on product specifications through our technical sales team to gain prestigious and high-value projects in the infrastructure and health care segments with far better realizations.

In FY22, your Company concentrated on growing the building solutions business by best utilization of available capacity. Your Company continued its approach as a comprehensive solutions provider in the building materials category by offering all relevant products under one roof thereby retaining and enhancing its customer base. Having achieved the maximum capacity utilization in the previous year, the Company has focused on process efficiency and lean management principles in these factories to optimize the costs further.

Polymer Solutions

This vertical consists of Pipes & Fittings and Wall Putty marketed under the brand name **"Birla HIL"**. During FY22, Polymer Solutions business grew 36% over FY21 by entering new geographies by enhancing the team and its capabilities, selective brand spend, expansion of distribution network, expansion of product portfolio and through forging of strong connect with influencers and customers.

Birla HIL Pipes

Birla HIL Pipes offers a wide range of plumbing solutions, including cPVC, uPVC, Column Pipes, SWR, Pressure & UGD Pipes and Fittings and Water Tanks confirming with related IS or ASTM specifications. These are ideal for household, industrial and commercial applications producing eco-friendly, anti-microbial, and cost-effective suitable solutions for carrying drinking water. Your company has a state of the art DSIR-approved R&D facility where in-house recipes are designed and new innovations to improve quality are undertaken. Birla HIL Pipes and Fittings have a unique TrueFit™ technology that offers 100% leak-proof joints and enhances the value propositions for consumers.

During FY22, Birla HIL Pipes showed a healthy growth of 52% over FY21, outperforming the industry growth. Your company has **grown ~6X in last 4 years** in the Pipes & Fittings segment. This was enabled by strategic focus on Tier 2 and Tier 3 towns in retail segment together with focused approach on technical sales in B2B segment. In addition, in this financial year, as part of our continued range expansion drive, we have added ~200 new SKUs to our portfolio.

Birla HIL Putty

Birla HIL Putty now has a pan-India presence, and we are continuously working and adding new channel partners to improve our presence in tier 2 and tier 3 towns. The expansion helped us grow by ~38% over the last Financial Year. With superior quality, Birla HIL putty has created a strong and loyal customer base. We have added Gypsum Plaster and Waterproof Putty to our product portfolio to cater to our increased customer demand.

Birla HIL Wall Putty made with cutting-edge "TRUE COLOUR" technology and is effective on all types of cementitious surfaces. Pure white in colour, its strong adhesive properties ensures a powerful bond between the base and the paint.

Flooring Solutions

Parador - a leading international premium brand for flooring Solutions with its "Made in Germany" & "Made in Austria" quality products - a perfect blend of design and technology. Parador's Innovative and sustainable products make it highly complementary to the existing product portfolio, which enables the Company to market its widened product range to more than 80 countries across the globe.

Introduction of E-business by augmenting its "Online Brand Store" and focus on "DIY Kits" were key success factors to positively impact Parador Germany business.

PARADOR is well aware of the pivotal role the flooring has in enhancing the aesthetic appeal of virtually all utilitarian structures, including residential, industrial and commercial buildings. Among the flooring types, wood floors are considered environmentally friendly, durable, and easy to clean. Changing lifestyles, a growing urban population, a rise in spending on home renovation and enhancement, and increasing consumer demand for eco-friendly materials are some of the key growth drivers augmenting demand for wood flooring. With a refinancing, housing, and remodeling trends remaining strong, the prospects for wood sales are bright. The generally positive outlook and stable demand for wood flooring is also spurred by advances in material and technology, which include water-resistant products and digital printing. In days to come preference for green products is expected to kindle consumer interest and re-energize demand patterns.

Amid the COVID-19 crisis, the global market for Wood Flooring estimated at US$43.2 Billion in the year 2020, is projected to reach a revised size of US$55.8 Billion by 2026, growing at a CAGR of 4.3% over the analysis period. Over the years, laminate flooring has gained popularity as a flooring material. The laminate flooring has been largely used owing to their developments in design and printing technology and the launch of unique product designs by manufacturers, fueling global demand for laminate flooring. Vinyl flooring is a type of resilient and robust flooring, which is significantly being used in construction applications associated with the residential and commercial projects.

The European floor covering market is expected to witness a strong rate during the forecast period. Some of the major factors attributing to the demand for flooring products in this region are increasing disposable income, growth in the residential real estate in the region, and rising demand for luxury flooring options. There is a growing trend of spending on the styling and interiors of the living spaces among consumers, leading them to spend more on home furnishings such as carpets, rugs, and other floor coverings that add to the aesthetic appeal of interiors. Europe is an attractive region of the flooring market, despite strict regulations on products such as PVC and other laminated flooring coverings that cause VOC emissions.

During the year Parador has reported a Net Revenue of ₹ 1547.94 Crore as against ₹ 1479.34 Crore in previous year recording a growth of 5%. The Profit Before Tax, which was hugely impacted due to extra-ordinary increase in costs in raw materials, for the year stood at ₹ 46.72 Crore as against ₹ 100.17 Crore in previous year resulting to a de-growth of 53%. As the transient headwinds subside, Parador will return to its profitable growth model.

Awards & Recognition

1. Twin awards: '**Most Trusted Brand' & 'Brand of the Year Water Technologies- Pipes**' for **Birla HIL Pipes** at 6th Realty+ INEX Awards 2022, realty industry awards and conclave. These Awards recognized **Birla HIL Pipes** for its 'exemplary performance and achievement' and 'contribution to making a positive difference in the Indian real estate industry'. Realty+ is the oldest and most respected real estate publication in the country. The event saw Indian and international architects

and building product brand leaders joining to discuss the way forward for the design and construction industry.

2. **The Economic Times Best Brands in Building Materials & Fittings Industry for 2021** - Birla HIL Pipes & Putty was awarded as Best Brands in building materials & fittings for 2021. The Economic Times Best Brand is a research-based initiative that endeavors to 'highlight brands that have gained customers' confidence, maintained their positions over a period, and sailed successfully through dynamic market challenges'. Birla HIL's innovative product offerings and the legacy of CK Birla Group make it the best brand that is built around trust and its customer-centric approach.

3. **Birla HIL Putty** was adjudged as '**India's Most Trusted**' for 2022. This award from Team Marksmen recognizes the trust and quality standards instituted at Birla HIL Putty. Birla HIL Putty is constantly setting high standards. Our cutting-edge 'True Colour Technology' enables true reflection of the colours of selected paint shade. This innovative & technically superior product is behind the trust of our customers.

4. IBC Infomedia recognized **Birla HIL Pipes as India's Most Trusted Brand 2021**. Awarded on the basis of extensive market research, expert analysis and an attribute-based qualitative research approach, it is a distinctive recognition for your company.

Great Place to Work, 2022

Your Company has been certified as a Great Place to Work for the fourth time in a row for 2022-23. Trust lies at the heart of building a great workplace culture. This philosophy is deeply embedded in HIL's culture, which is evident in the significant difference we have made in the trust index score; from 86 last year to 94 this year, a giant leap of 8 points. This coveted recognition is an affirmation of our continuous efforts in nurturing and building a High-Trust and High-Performance culture at HIL. We have also been recognised as India's Best Workplaces in Manufacturing 2022 - Top 30, Best workplaces in Cement and Building Materials Industry 2021; and chosen as India's Best Companies to Work for 2022, ranked at 57. All this goes towards employee's grit, determination and unwavering commitment towards your organisation to deliver stupendous results.

Economic Times - Asia's Most Promising Leader of the Year

Mr. Dhirup Roy Choudhary, Managing Director and CEO of HIL Limited was conferred with the prestigious '**Most Promising Business Leaders of Asia Award 2021-22**' by The Economic Times, for the fourth consecutive year marking a significant achievement, and testimony to his persistent endeavors towards strengthening an innovation-led organization and leading and shaping the business demographics of HIL.

Super brand Award

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

Top 100 Top-Innovator

The TOP 100 honours the most innovative companies in the German SME sector. TOP 100 has been on the market for over 25 years and is the only competition that honours innovation management and is therefore the most important award for innovative companies in the SME sector.

Only creative companies with visions and a sense for the new make it into the ranks of the 100 most innovative medium-sized companies in Germany. Parador has already been included for the 5th time and has been awarded the "Top 100" seal of quality for its sophisticated innovation management.

Good Design Award 2022

The Good Design Awards are one of the oldest international design awards and have been promoting excellence in design and innovation since 1958. Each year, the programme attracts new and innovative design projects from around the world and recognises the best in all areas of design, architecture, engineering, research and social innovation. Created by Ray and Charles Eames, the Good Design Awards are presented annually by the Chicago Athenaeum and an international jury of experts and are among the most prestigious and distinguished design awards in the world.

After the Open Frameworks Design Edition, Parador has now received this award a second time, now for the One Ground Design Edition floors.

Annual Multimedia Award for Parador Online Brand Store The Parador Online Brand Store, which has been successfully combining the digital and analogue worlds of the Coesfeld-based premium manufacturer of products for floor, wall and ceiling design since June last year, has now been awarded "Silver" at the Annual Multimedia Award 2022. In the E-Commerce & Onlineshop category, Parador's Online Brand Store was able to win a silver trophy at the Annual Multimedia Award 2022 and thus join a gallery of renowned national and international award winners. A total of 103 projects were recognised for their digital excellence this year. "Building a clever brand identity and communicating it credibly to the target group is how projects score points with the jury this year," reads the official announcement on Parador's successful participation.

Reddot winner 2021

After the products of our "One Ground Design Edition" already received a Red Dot Award for product design in March, the accompanying campaign has now received the Red Dot Award: Brands & Communication Design 2021. We are proud of this honour and very pleased!

Online award for e-commerce-concept

Our Online Brand Store, which was launched in June last year, has now been awarded 3rd place with the Deutscher Preis für Online-Kommunikation (DPOK) in the category "Building & Real Estate".

Life & Living Award 2022 for Parador The news channel NTV and the German Institute for Service Quality have presented the Life & Living Awards 2022. In the "Wood Flooring" category, Parador is one of this year's award winners, as has now been announced. CSO Stefan Kükenhöhner accepted the 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

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

In accordance with provisions of Section 152 of the Companies Act, 2013 and pursuant to Articles of Association of the Company, Mr. CK Birla (DIN: 00118473) Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The brief details required to be disclosed in accordance with Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Companies Act, 2013 and Secretarial Standards is included in the notice of the ensuing Annual General Meeting forming part of this Annual Report.

Mr. Dhirup Roy Choudhary, Managing Director and CEO was first appointed on January 16, 2017 for a term of five (5) years. He was re-appointed effective January 16, 2022 consequent to the expiry of his initial term on January 15, 2022 by the Board at its meeting held on December 06, 2022 for another term of five (5) years. His re-appointment and remuneration continued on the same terms as that of his initial tenure which expired on January 15, 2022.

Further the Nomination and Remuneration Committee at its meeting held on May 12, 2015 approved and recommended the Employee Stock Option Scheme 2015 to the Board and the Board at its meeting held on May 12, 2015 recommended the said Scheme for Members approval and the Members at their meeting held on July 30, 2015 approved the said Scheme. The Scheme was made applicable to the eligible employees and Mr. Dhirup Roy Choudhary, Managing Director and CEO was one of the eligible employees subject to the terms and conditions of the Scheme. Consequent to the approval of the ESOPs Scheme by the Members at their meeting Mr. Dhirup Roy Choudhary, Managing Director and CEO, certain options vested in Mr. Dhirup Roy Choudhary, Managing Director and CEO and were due for grant in July 2021.

Further, as per the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 ("the Act"), read with Schedule V thereof and the Rules made thereunder, the maximum managerial remuneration payable to the managing director in respect of any financial year may exceed 5% of the net profits of the Company, calculated as per Section 198 of the Act, provided the same is approved by the members of the Company by way of a special resolution. For the purpose of assessing the proportion of the remuneration to the net profits of the Company, all elements of remuneration package such as salary, benefits, bonuses, stock option, pension, perquisites etc. are taken into consideration. Pursuant to the approval of the Nomination and Remuneration Committee, from time to time, Mr. Dhirup Roy Choudhary, Managing Director and CEO of the Company (Director Identification Number: 07707322), has been granted Stock Options ("Options") – under the HIL Limited Employee Stock Option Scheme 2015" ("ESOP 2015") as a part of his compensation package. The details of these grants have been appropriately disclosed in the Annual Reports of the Company. The perquisite value of the Options, exercised by Mr. Dhirup Roy Choudhary during any financial year forms part of his total remuneration. The perquisite value is the differential value between the fair market price of shares on the date of exercise of Options and the exercise price. The perquisite value is directly linked to the fair market value of the shares of the Company on the date of exercise of Options. During the financial year 2021-22, as per vesting schedule under ESOP Scheme 2015, certain number of options have vested in him. These options were exercised and allotted to him on November 01, 2021 by the Nomination and Remuneration Committee within the meaning of the subject ESOP Scheme as well as the respective Board approvals. Taking into account the perquisite value which gets added to his remuneration, the total managerial remuneration payable to him exceeds 5% of the net profits of the Company purely due to inclusion of the perquisite value of options exercised by him during the year 2021-22 and no cash pay-out has been made to him. His cash remuneration excluding the perquisite value arising out of ESOPs is well within the prescribed limits under section 197 of the Companies Act, 2013.

In view of the above, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 06, 2022, approved and accordingly recommends to the members an increase in the managerial remuneration limit in excess of 5% of the net profits of the Company (computed in the manner as laid down in Section 198 of the Act) thereby seeking Members consent to ratify the excess amount of ₹ 422.07 Lacs paid to Mr. Dhirup Roy Choudhary, Managing Director and CEO during the year 2021-22. The Board of Directors recommends the proposal and the resolution for approval of members of the Company, as set out at Item No. 5 & 6 of the Notice.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, details of the Key Managerial Personnel of the Company.

Sl No	Name of the Person	Designation	Remarks
1	Mr. Dhirup Roy Choudhary	Managing Director & CEO	Ongoing
2	Mr. KR Veerappan	Chief Financial Officer	Resigned *
3	Mr. Mahesh Thakar	Company Secretary & Head Legal	Ongoing

*He ceased to be CFO of the Company on close of working hours of May 10, 2022.

There were no other changes in the Key Managerial Personnel of the Company and the Company is in compliance with the required provisions of Section 203 of the Companies Act, 2013.

BOARD & COMMITTEES

BOARD MEETINGS

The Company has a professional Board with an optimum combination of executive, non-executive and independent

directors including one woman director who bring to the table the right mix of knowledge, skill and expertise. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders.

During the year, Six (6) meetings of Board of Directors of the Company were convened and held in accordance with the provisions of the Companies Act, 2013. The date(s) of the Board Meeting, attendance by the directors are given in the Corporate Governance Report forming part of this annual report. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

Independence of the Board

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

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

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

COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE

Audit Committee of the Company meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. During the year Five (5) meetings of the Committee were held, the details along with the composition of the Audit Committee as required under the provisions of Section 177(8) of the Companies Act, 2013 are given in the Corporate Governance Report which forms part of this annual report. During the year under review, the Board has accepted all the recommendations of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. During the year three (03) meetings of the Committee were held, the details of the composition of the Nomination and Remuneration 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 Committee.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, a formal evaluation of the performance of the Board, its Committees, the Chairman and the individual directors is conducted.

Structured forms covering evaluation of Board, Committees of the Board, Chairperson, Independent Directors and non-independent directors are devised for evaluation by all the Directors and Director's rate against various criteria such as composition of Board, receipt of regular inputs and information, functioning, performance and structure of Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board meetings, leadership etc.

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

Further, as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the following is the matrix of skills and competencies on which all Directors are evaluated:

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

FAMILIARISATION PROGRAMME FOR DIRECTORS

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

Pursuant to Regulation 25(7) of Listing Regulations, conducting familiarization programmes for the Directors in the Company is a continuous process, whereby Directors are informed, either through presentations at the Board or Committee meetings, board notes, interactions or otherwise about industry outlook, business operations, future strategies, business plans, competitors, market positions, products & new launches, internal and operational controls

over financial reporting, budgets, analysis on the operations of the Company etc. Pursuant to Regulation 46 of Listing Regulations, the details required are available on the Company's website https://hil.in/investor-relations/familiarization-program/.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

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

As per the provisions of Section 135 of the Companies Act, 2013, 2% of average net profits of the Company for the immediately preceding three financial years calculated as per Section 198 of the Companies Act, 2013 works out to ₹ 290.10 Lacs and the Company has spent an actual of ₹ 291.15 Lacs on CSR activities in the areas of educations, preventive healthcare, supporting tribal community with education and vocational training and safety related initiatives.

STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

The Stakeholders Relationship Committee of the Company meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. During the year Four (04) meetings of the Committee were held, the details along with the composition of the Committee as required under the provisions of Section 178 of the Companies Act, 2013 are given in the Corporate Governance Report which forms part of this annual report. During the year under review, the Board has accepted all the recommendations of the Committee.

RISK MANAGEMENT COMMITTEE

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

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

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

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

During the year, the Risk Management Committee, Audit Committee and the Board have reviewed the elements of risk and the steps taken to mitigate the identified risks. In their opinion, apart from the existing challenges posed by the Covid pandemic, there are no major elements of risk, which has the potential of threatening the existence of the Company and as an organization, your Company promotes strong ethical values and high levels of integrity in all its activities, which in itself is a significant risk mitigator.

ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company for the financial year 2021-22 can be accessed through the web link on the Company's website https://hil.in/investor-relations/2022-annual-report/

DIRECTORS' RESPONSIBILITY STATEMENT

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

I. In preparation of the Annual Accounts for the year ended March 31, 2022 all the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and Companies Act, 2013 have been followed and there were no material departures.

II. We have adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2022.

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

IV. The Annual Accounts for the year ended March 31, 2022 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 sound Corporate Governance and best corporate practices. The report on Corporate Governance for the year ended March 31, 2022 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is annexed herewith as **Annexure (III)**. The Certificate from the Auditors of the Company M/s. B S R & Associates LLP., Chartered Accountants, [ICAI Firm Registration Number: 116231W/ W-100024] regarding compliance of conditions of Corporate Governance is attached to the report of Corporate Governance forming part of this annual report.

POLICIES

VIGIL MECHANISM

Pursuant to the requirement laid down in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, the Company has a Whistle Blower Policy as part of its Vigil Mechanism to deal with instances of fraud and mismanagement, if any. The Vigil Mechanism framework ensures that strict confidentiality is maintained whilst dealing with reported concerns and that no discrimination whatsoever is allowed to be practiced against any person who has genuinely raised a concern. The designated officer/ Audit Committee Chairman can be directly contacted to report any suspected or confirmed incident of fraud/ misconduct at whistleblower@hil.in. 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 https://hil.in/investor-relations/policies/

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

REMUNERATION POLICY

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

The Nomination & Remuneration Policy is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same provided in the Corporate Governance Report. The Nomination & Remuneration Policy is also posted in the Investors section of the Company's website www.hil.in on the following link https://hil.in/investor-relations/policies/

PREVENTION OF SEXUAL HARASSMENT POLICY

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

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

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

RELATED PARTY TRANSACTIONS

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

In line with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Power) Rules, 2014, all Related Party Transactions are placed before the Audit Committee for review and approval, the Board and shareholders, wherever such approval is required as per the provisions of Section 188 of the Act, rules made thereunder, Regulation 23 of the Listing Regulations and applicable Accounting Standards. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length.

All Related Party Transactions entered during the financial year 2021-22 were in ordinary course of business and at arm's length

basis. Your Company did not enter into Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, during the year under review.

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

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

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

OTHER POLICIES

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

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

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

AUDITORS

STATUTORY AUDITORS

The Company's Statutory Auditors, BSR & Associates LLP, Chartered Accountants (ICAI Regn. No.-116231W/W-100024), were appointed as the Statutory Auditors of the Company for a period of five years i.e. from the conclusion of 70th Annual General Meeting held on July 18, 2017 till the conclusion of the 75th Annual General Meeting to be held in 2022. Accordingly, the term of M/s. BSR & Associates LLP, Chartered Accountants, Statutory Auditors of the Company will come to end on conclusion of ensuing 75th AGM of the Company to be held on July 29, 2022.

In view of the above, it is proposed to appoint M/s. B S R and Co, Chartered Accountants (FRN - 128510W), as Statutory Auditors of the Company under the provisions of section 139 and 142 of the Companies Act, 2013 read with Rules made thereunder. The Company received their consent along with a certificate confirming that they have not attracted any disqualifications as prescribed under the Companies Act, 2013 and the Chartered Accountant Act, 1949 read with rules made thereunder. The Audit Committee at its meeting held on May 6, 2022, reviewed the credentials of M/s. B S R and Co, Chartered Accountants (FRN - 128510W) and recommended for their appointment; accordingly, the Board at its meeting held on May 6, 2022 considered the recommendations of the Audit Committee and approved appointment of M/s. B S R and Co, Chartered Accountants (FRN - 128510W) as statutory auditors of the Company under the provisions of section 139 and 142 of the Companies Act, 2013 read with Rules made thereunder for a term of five years i.e. from the conclusion of 75th Annual General Meeting of the Company till the conclusion of 80th Annual General Meeting of the Company to be held in year 2027, at such terms and conditions as may be agreed between the Board and the Auditors including the remuneration of ₹ 93.00 Lacs (Rupees Ninety Three Lacs only) (excluding applicable taxes) and in addition the agreed remuneration actual out-of pocket expenses incurred by them for the purpose of audit and the applicable taxes shall be reimbursed.

It is further informed that the Board recommended the appointment of M/s. B S R and Co, Chartered Accountants (FRN - 128510W) for approval of the members by way of Ordinary Resolution as set out under the item No. 4 of the notice annexed with this annual report in terms of the provisions of section 139 and 142 of the Companies Act, 2013 read with Rules made thereunder.

B S R & Associates LLP, Chartered Accountants (ICAI Regn. No. 116231W/W-100024) who are the statutory auditors of the Company has issued an unmodified Auditor's Report (Standalone & Consolidated) Financial Year ended March 31, 2022 and during the year, the Auditors have not reported any matter under Section 143 (12) of the Act, and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

INTERNAL AUDITORS

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

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

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

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the rules framed thereunder, the cost audit records maintained by the Company in respect of its specified products are required to be audited by a Cost Auditor. The Board of Directors, on recommendation of the Audit Committee, appointed M/s. S.S. Zanwar & Associates, as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2023 at a remuneration of ₹ 8.00 Lacs plus out of pocket reimbursements. The requisite resolution for ratification of remuneration of Cost Auditor by the shareholders of the Company has been set out in the Notice of ensuing AGM. The Cost Auditor has certified that their appointment is within the limits as prescribed under Section 141(3)(g) of the Act and that they are not disqualified from such appointment within the meaning of the said Act

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and rules framed thereunder, the Board of Directors, on recommendation of the Audit Committee, appointed M/s. P.S. Rao and Associates, Company Secretaries to undertake the secretarial audit of the Company. Pursuant to Section 139 and 141 of the Act and relevant Rules prescribed thereunder, the Company has received a certificate from the Secretarial Auditor, interalia, confirming that their appointment is within the limits laid down by the Act and rules made thereunder, is as per the term provided under the Act, they are not disqualified for being appointed as Secretarial Auditor under the provisions of applicable laws and also that there are no pending proceedings against them involving matters of professional misconduct.

The Secretarial Audit Report issued by M/s. P.S. Rao & Associates, Company Secretaries for the financial year ended March 31, 2022 is given in **Annexure (V)** attached hereto and forms part of this report. The report does not contain any qualifications, reservations or adverse remarks.

The Company has undertaken an audit for the financial year 2021-22 for all applicable Securities and Exchange Board of India ("SEBI") compliances as per circular dated February 08, 2019 issued by the SEBI. The Annual Secretarial Compliance Report issued by M/s. P.S. Rao & Associates, Company Secretaries has been submitted to the Stock Exchanges within the prescribed time limit.

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees /Security provided and Investments made during the Financial Year ended March 31, 2022 is given in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and the same is provided in the notes to financial statements.

DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as on March 31, 2022.

SUBSIDIARIES AND JOINT VENTURES

The following is the group structure of your Company:

S. No.	Legal name of the entity	Relationship	Country of incorporation and Date	Full address
1	HIL LIMITED	Holding Company	India, 23.06.1955	Office No 1 & 2, Level 7, SLN Terminus, Gachibowli, Hyderabad, Telangana - 500032
2	HIL International GmbH	Subsidiary (Wholly Owned Subsidiary)	Germany, 03.07.2018	Millenkamp 7-8, 48653 Coesfeld, Germany
3	Parador Holding GmbH	Step Down Subsidiary (WOS to HIL International GmbH)	Germany, 20.06.2016	Millenkamp 7-8, 48653 Coesfeld, Germany
4	Parador GmbH	Step Down Subsidiary (WOS to Parador Holding GmbH)	Germany, 21.09.2015	Millenkamp 7-8, 48653 Coesfeld, Germany
5	Parador Parkettwerke GmbH	Step Down Subsidiary (WOS to Parador GmbH)	Austria, 10.04.1998	Wiener Strasse 66, 7540 Güssing, Austria
6	Parador (Shanghai) Trading Co., Ltd.	Equity Joint venture (50%) of Parador GmbH and (50%) Horgus Oriental Glamour Co., Ltd,.	Republic of China, 08.08.2018	Room 1006, Floor 10, No, 233 Taicang Road, Huangpu District, Shanghai Municipality, the People's Republic of China

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company has appointed Dr. Arvind Sahay, Independent Director as a Director on the Board of HIL International GmbH, Germany (wholly owned subsidiary).

Supercor Industries Ltd

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

PARTICULARS OF EMPLOYEES

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

HUMAN CAPITAL AND INDUSTRIAL RELATIONS

Your Company believes that the quality of its employees is the key to its continued growth and success. Hence, HIL is committed to providing necessary Human Resource development and training opportunities to equip employees with new skills to enable them to adapt to contemporary technological advancements. We practice and promote an open, fearless and transparent, value based culture in the organization. The recruitment process is aligned to attract the best talent available and diversity at workplace is another priority that has significant emphasis of the Company.

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

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

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

BUSINESS RESPONSIBILITY REPORT

Regulation 34(2)(f) of the Listing Regulations mandates the inclusion of Business Responsibility Report ("BRR") as part of the Annual Report for top 500 listed companies which was thereafter amended to top 1000 listed companies with effect from December 26, 2019, based on market capitalization as on March 31 every year. In compliance with the Listing Regulations, BRR of your Company for the financial year 2021-22 is included in the Annual Report as **Annexure (IX)**.

Your Company strongly believes that sustainable and inclusive growth is possible by using the levers of environmental and social responsibility while setting aspirational targets and improving economic performance to ensure business continuity and rapid growth.

EMPLOYEE STOCK OPTIONS

The Company has two operative Employees Stock Option Schemes i.e HIL Limited Employees Stock Option Scheme 2015 and HIL Limited Employee Stock Option Scheme 2019, which provides for grant of Stock Options to eligible employees of the Company.

Nomination & Remuneration Committee of the Board of Directors, inter alia, administers and monitors the Employees' Stock Option Scheme(s) of the Company in accordance with the Securities and Exchanges Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Regulations").

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

The details of Employee Stock Options pursuant to Section 62 of the Companies Act, 2013 read with Rules made thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014 and erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are provided as **Annexure (X)**

Certificate from M/s. P.S. Rao & Associates, Company Secretaries, Secretarial 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.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURT

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year March 31, 2022 to which the financial statements relate and the date of signing of this report.

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

CHANGE IN THE NATURE OF BUSINESS

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

OTHER STATUTORY DISCLOSURES

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

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

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As per section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereto ("the Rules"), all shares in respect of which dividends have not been paid or claimed for seven consecutive years or more shall be transferred to Investor Education and Protection Fund (IEPF).

In line with the aforesaid provisions, during the year, unclaimed interim dividend declared for the FY 2014-15 & unclaimed final dividend declared for the FY 2013-14 along with the underlying shares on which dividend has not been claimed for seven consecutive years have been transferred to IEPF.

The List of shareholders whose dividends/ shares have been transferred to IEPF is available on the website of the Company https://hil.in/investor-relations/unclaimed-divided-shares-due-to-transfer-to-iepf/ and also the procedure for claiming such unclaimed dividends/ shares from IEPF has been made available on website of the Company https://hil.in/investor-relations/procedure-for-claiming-shares-transferred-to-iepf/.

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

CK Birla
Chairman
(DIN No. 00118473)

Place: New Delhi
Date: May 06, 2022

Annexure(s) to the Board's Report

Annexure (I): Management Discussion and Analysis (MDA)

Global Economy

Consequent to the COVID 19 impact and despite severe challenges to mankind and industry, the services and manufacturing sector, the global economy grew an estimated 5.9% in 2021 compared to a de-growth of 3.3% in 2020. This was achieved due to a dedicated focus on vaccination drives world over. Data has more than ever driven the businesses and data and insights on lessons learned from the pandemic, and then using these to prioritise actions to enhance business value today and build strategic resilience for tomorrow. While the global economy was affected by prohibitive shipping freight rates, a shortage of shipping containers and semiconductor chips in 2021, further affected the global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies. The predominant feature in the recovery of the global economic activity during the year under review was the sharp revival in commodity prices to record levels. The commodities that reported a sharp increase in prices comprised steel, coal, oil, copper, food grains, fertilisers and gold. The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis. Businesses that take these steps now will be well-placed to capitalise more effectively on the opportunities rising in the post-COVID-19 recovery – and to continue winning in their marketplaces as greater certainty and stability return.

While the year commenced amidst the challenges returned businesses to normalcy at a gradual pace. People safety, business sustainability and growth remained the focus factors. Suitable opportunities, costs and allied factors confronted the businesses world-wide. Digitisation, innovation, eco-friendly cost effective products became the new norms of the business.

The advanced economies were expecting the economic output and investments to restore to pre-pandemic levels. Global inflation was also expected to be comparatively weaker; however, predicted to stay lower in the emerging market and developing economies (notably in small, fragile and conflict affected areas). Rise in food and energy costs, and more serious supply disruptions weaken the near-term outlook for worldwide growth.

The global manufacturing sector has been under pressure. Simultaneously, Covid-19 outbreaks have delayed the production of finished goods throughout complicated global value chains. Other disruptions like severe shortages of natural gas and coal, have slowed power generation in some nations, limiting energy-intensive manufacturing. Industrial production and goods commerce is severely impacted by global supply bottlenecks. Supply chain interruptions hampered worldwide manufacturing in Q3 FY22, particularly in Europe and the United States. Construction/ infrastructure boom is likely to be moderate, targeted fiscal policies, such as tax incentives and subsidies, will continue to encourage investment in innovation, technical advancements, and green businesses and drive economic growth in coming years.

Outlook

Amidst the challenges, Indian economy as well as the economies all over the world have continued to improve, and commerce has hit record highs. Global GDP is gradually expected to touch 3.8% in FY 2023 as a result of eventual fading of pent-up demands and reversal of the supportive fiscal monetary policies of governments and central banks. However, the recent war between Russia and Ukraine dampened the spirit of investors. The eminent issue that the war poses like material crisis, increased gas prices, logistics constraints and increasing inflation do lead to considerable headwinds to many businesses.

Indian Economy

The pandemic's impact of 2020-21 on the industrial sector reflected a decline in Index of Industrial Production (IIP) in 2021-22 however, the Government of India's (GOI) PLI scheme helped speed up the recovery to a very large extent. Several attempts were made to boost infrastructure investment, including the National Infrastructure Pipeline (NIP) and the National Monetisation Plan (NMP), among others. The gradual unlocking of the country, combined with the supportive policy initiatives resulted in a recovery in the industrial growth. The central bank has estimated that India's real GDP will grow by 7.8% during 2022-23, with consumer inflation averaging 4.5%, yielding a nominal GDP growth of 12.3%.

On business front measures like the revival of normal business conditions, as well as continued but narrowing monetary and fiscal policy assistance benefited the economy. This successfully reflects an improving investment outlook with private investment, particularly in manufacturing. The investments are aided by Production-Linked Incentive (PLI) Scheme, and improvements in infrastructure investment. Despite the concerns, the growth outlook will be bolstered by ongoing structural reforms, a stronger-than-expected financial sector recovery, and steps to address financial sector issues.

In FY2021-22, the industrial sector showed signs of gradual improvement as compared to a contraction in 2020-21. In view of uncertainties on account of the pandemic and elevated global commodity prices, however, increased FDI inflows and improved overall business environment indicate a promising recovery for the industry.

While the Russia Ukraine war and its implications on Indian economy are visible, India is expected to emerge as the fastest growing economy in coming years and could become the third largest consumer economy as its consumption may triple by 2025, owing to changing consumer behaviour and expenditure habits. It is expected to be the second largest economy surpassing the USA in terms of purchasing power parity (PPP) by 2040.

GDP Growth is expected to increase to 8.7% in FY 2022-23 and 6.8% in FY 2023-24. Even though the manufacturing, construction, and mining sub-sectors experienced a similar swing, the utilities sector saw a more subdued cycle. The contribution of industry to Gross Value Added (GVA) is presently estimated to be 28.2%.

The revival of construction sector (notably steel consumption and production, and cement consumption) can be attributed to increased spending by the government on infrastructure and an upsurge in the housing cycle. According to the RBI and prominent real estate companies' statistics, the Indian residential real estate market in FY23 is looking to grow in sales, prices, and new launches. The Indian economy is in a favourable position and encourages the growth of various sectors, with the government's vaccination drive having achieved considerable momentum and breadth.

Roofing Industry: Fibre Cement Sheet Market

India has witnessed strong responsive markets and positive revival of business. Consumer behaviour is returning to pre-pandemic position demanding more from the manufacturers. Increasing global population, gradual rise in disposable income, and the predominance of nuclear families have resulted in a massive increase in residential development projects. In several emerging countries, the residential construction sector has grown significantly in tandem with improved economic conditions. This resulted in the increasing demand for fibre cement.

With the given tax regime applicable to Asbestos Cement sheets (AC), they happen to be driving the markets with rural consumption dominating the AC sheet business. AC sheets are more cost competitive than substituted materials. Cement Fibre sheets find its consumer base mainly in rural India and is interwoven in to the rural economy. Good monsoons and the higher disposable income coupled with rural income supported by government schemes have given a good response for purchasing initiatives in the rural sector.

In India, only the Chrysotile variety of Fibre Cement, which is considered safe, is used in Fibre Cement products, namely, sheets and pipes. The fibres are mixed and bonded with cement and other raw material, with no chance of escaping into the atmosphere on normal usage. Fibre cement products continue to remain as the preferred choice in the construction industry as a convenient and durable product choice. Along with the Company's strong brand presence across rural India and focus on new dealer/sub-dealer recruitment and engagement activities, Digital Connect, focused on inventory planning, logistics, dealer wise targets, helped gain market share.

The roofing business ended the year with impressive double-digit growth in volume terms over the previous year and highest ever revenue. Your Company will continue to further consolidate its leadership position in the industry.

The residential construction sector has grown significantly in tandem with improved economic conditions. This resulted in the increasing demand for fibre cement. By FY2027, the Indian Fibre Cement Boards and Sheets Market is expected to reach USD 963.86 million, increasing at a CAGR of more than 5% over the forecast period of FY2023–FY2027. Fibre cement sheets are being extensively used for roofing, cladding, siding applications, poultry farms, factories and warehouses. Easy availability, affordability and sturdy qualities fuel its demand. This can be owed to the Indian economy's continued development, and the growing popularity of fibre cement.

The fibre cement gets preference due to its flexible qualities, low cost, and durability. GDP growth and government investing substantially in infrastructure indicates exponential growth over the next 5 years. For many years, the widespread use of "dry construction" roofing in the industrial sector has been a trend and sparked the demand for various types of sheets in manufacturing facilities across the country. Thus, propelling the Indian Fibre Cement Boards and Sheets Market to new heights.

Corrugated roofing sheets have recurrent folds on their surface in rural buildings. The unique shape offers enduring utility, strength and are employed in a wide range of rural applications. They are stronger due to their corrugated design with ridges and grooves, as well as the wavy structure in small surface regions.

Perpetual Growth drivers

- **Monsoon:** Good rainfalls in FY22 have paved the way for this business to grow in FY23. Cash with the farmers on account of consistent realisation from crops enables growth in this business.
- **Strong rural economy:** government schemes, tax subsidies and schemes have provided higher disposable income and purchase opportunities to the rural sector. Our products share a major space in the rural sector given its applicability and brand.
- **Construction projects:** The construction industry in India is one of the largest in the world and its continuous focus on urban development creates significant demand for quality roofing solutions.
- **Non-residential demand:** Demand for sturdy roofing solutions in commercial structures like offices, parking lots etc. are substantial growth drivers for the industry.
- **Government Support:** Numerous government schemes providing financial assistance for building superior quality infrastructure including National Infrastructure Pipeline (NIP), Housing for All and, Affordable Rental Housing Complexes Scheme are likely to provide a major boost to the roofing industry in India.

Outlook

With the pandemic largely behind us, disposable income is likely to grow at a considerable pace. Further, the Indian economy continues

to gather momentum with the government's renewed focus on construction, affordable housing and infrastructure sectors. These tailwinds are anticipated to drive the country's Fibre Cement Market, which is expected to reach $4.2 million by 2025, rising at a CAGR of 6.7% from 2020 to 2025. Stringent rules prohibiting the use of asbestos in buildings, due to health hazards associated with its use, are also driving the demand for fibre cement boards and sheets in India. Additionally, the growing need for energy-efficient buildings is propelling the industry forward.[3]

Real Estate Industry in India

Real estate is a vital component of the Indian economy, accounting for a significant portion of construction spending and the nation's infrastructure development. The real estate sector in India, particularly the residential segment, has recovered quickly from the crisis. This can be attributed to variables such as low interest rates, lower residential unit prices and impetus from the state governments. Although work-from-home model lowered the demand for business facilities, but raised the demand for affordable residential space.[4]

Housing prices are predicted to rise as raw material prices, land expenses, and labour costs rise. End-user demand has driven the house sales boom in India so far resulting in gradual price increases rather than abrupt changes. The real estate sector will benefit from rapid urbanisation. By 2025, demand for data centres is estimated to grow by 15-18 million square feet. India registered investments worth US$ 2.4 billion in real estate assets in the first half of 2021, an increase of 52% YoY.

India's real estate sector is predicted to grow to US$ 1 trillion by 2030, up from US$ 120 billion in 2017. During the period 2017-2028, India's real estate market is expected to increase at a CAGR of 19.5 percent. By 2025, the market is expected to reach US$ 650 billion, accounting for 13% of India's GDP. Increased industrial activity, improved income levels, and urbanisation would all help to boost real estate's contribution of GDP.

Outlook

Rising international real estate development is likely to usher in new growth opportunities in the Indian market. The Union Budget for FY2022-23, highlighted the completion of 80 Lacs homes and the provision of 48000 crore under PMAY for urban and rural areas in FY23. In recent years, there has been an increase in the demand for affordable housing.

India is one of the top ten fastest-growing housing markets in the world. By 2023, organised retail real estate stock is predicted to grow by 28% to 82 million square feet. Focus on affordable housing is expected to drive the nation's real estate business. By 2025, real estate's contribution to India's GDP is predicted to rise from $200 billion to $500 billion each year. This accounts for 12% to 15% of India's GDP and will be the country's top employer.[7]

Flooring Industry

Strong industrial and economic development and population growth are looking to boost product demand in the flooring industry. The building and construction industry has been reviving at a rapid pace. Flooring has become the flagship segment and accounts for roughly 10% of total building and construction project expenses.[8]

Last two decades have proved to be transformative for the flooring industry. This change can be the result of the introduction of various advanced technologies and the growing usage of specialised machinery, notably in the industrial and commercial flooring segments. The emergence of India as a vital market for new technology has significantly helped the expansion of industrial and commercial flooring categories, at a similar rate. The development of simple installation techniques, the availability of novel building solutions, and the increased demand for sustainable products are expected to drive the industrial growth. Increased investments and evolving innovation in flooring solutions have resulted in more durable and stronger flooring materials. Moreover, manufacturers' customization possibilities in terms of colour, texture, and finishing have contributed to increased product demand, thus boosting market growth.[9]

Outlook

The Indian flooring industry's growth resembles those in other segments of the construction industry as well. The substantial growth can be attributed to industrialization, robust urban infrastructure environment, and the market's rising applications.

By 2027, the Indian wood and laminate flooring market is expected to reach USD 4.32 billion. From FY2021-FY2028, it is expected to grow at a revenue-based CAGR of 6.4%. The market's growth is likely to accelerate in the near future, owing to significant government initiatives. India is rapidly establishing itself as a major global market for flooring products.

Company Overview

The CK Birla group a prestigious name in the national and international industry sector has withstood its vision for quality products, ethical and transparent business practices and strong focus on human aspect. Founded in 1946, HIL Limited is the flagship company of the CK Birla Group. Since more than 7 decades, the company maintains its leadership position in the market with its extensive

array of building materials and innovative solutions. HIL is dedicated to delivering sustainable, high quality, and future-ready products to its customers. It has a diversified product portfolio of eco-friendly products that are designed to meet constantly evolving customer requirements. Over the last 5 years, the company management has taken key and determined initiatives towards making HIL as a global building materials one stop solution.

HIL is an acknowledged leader in the Building Material space in India. HIL has been honoured with the title of "Asia's Most Trusted Building Material Company for last 2 consecutive years by IBC INFOMEDIA. Founded in 1955, it is the flagship company of the C K Birla Group, which is a growing US$2.4 billion conglomerate with diversified interests. HIL also holds the SuperBrand title and ranks amongst the top 20% of all other SuperBrands across all categories in India. The Company has demonstrated expertise in comprehensive building materials and solutions, for more than seven decades now. Production and marketing of products, that are sustainable, future-ready, innovative and has a high quality has helped the company achieve market leadership. The Company is well on track towards becoming a 1 billion US$ "One Stop Building Solutions Company" in the next few years.

The Company operates 24 state-of -the-art manufacturing facilities in India, and two in Germany and Austria. Through robust R&D centres in India and Germany, it is committed to innovation. HIL Limited fosters a wide reach with an extensive sales and distribution network, stretching across India and 80+ countries globally. This can be owed to its strong focus on customer-centricity. The Group's businesses span five continents, with over 30000 people, 47 manufacturing sites, 21 service delivery locations, and has earned several patents and awards.

HIL aims to build a green world by adopting a unique "five-way green" philosophy. It ensures the overall sustainability of its products and operations. HIL explores a world of possibilities in order to realise its visions for a greener and safer future.

Key Strengths

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

- **Operational Excellence:** HIL strives to achieve highest standards of excellence by delivering superior quality products that comply with the norms of the Industry, principles of corporate social responsibility, safety, health and environment. The Company has implemented lean Six Sigma practices, Industry 4.0 and Business Intelligence Tools at its various manufacturing location in India and Europe, which are expected to deliver greater efficiencies in the coming years.
- **Innovation:** Innovation is at the heart of the business at HIL. Consumer demand and the product alignment is the underlying principle for continuous innovation and product development. In response to a fast-changing business environment, HIL relies on its innovative capabilities to deliver superior quality and advanced products.
- **Diversified product portfolio:** The Company has a vast product portfolio, ranging from roofing, walling, flooring solutions and polymer solutions to engineering solutions. The Company is also dedicated to offer sustainable products that minimize its impact on the environment. The Company has a keen eye on the consumer need as well the regulatory requirements.
- **Robust R&D mechanism:** Sustainable, eco-friendly, cost effective product development is the fundamental principle at R&D. Consumer need and demand is the key focus. HIL continuously strives to add value to its existing products while developing new products for the market. The Company believes in strengthening its Research and Development capabilities and utilises advanced technology to improve its manufacturing capacities. The latest eco-friendly roofing solutions developed by the R&D is one of its kind in the world and has huge potentials to grow in Indian and in global markets.
- **Diversified Geographic Presence:** The Company has a diversified footprint in India with 24 manufacturing facilities and an extensive network of more than 6500 retailers and around 40 depots. Additionally, the Company has 2 manufacturing facilities in Europe and a strong international presence in more than 80+ countries around the globe.
- **Dedicated and engaged management and workforce:** The committed and dedicated workforce of HIL is one of its greatest strengths and it enables the Company to reach greater heights of success. Being certified Great Place to Work consecutively is confirmation of the Trust by the employees and is a true recognition of the culture created in the company towards harnessing a truly committed 'One HIL' Team.
- Product Leadership: Charminar, Birla Aerocon, Parador are all established market leaders in their product segment and have received accolades from well-respected international bodies over the years. Birla-HIL is gaining good traction in the last few years since its inception.
- **Governance led practices:** Corporate Governance, transparent business practices and ethical values drives HIL towards ensuring all compliances and keep the flag flying high

Robust product portfolio

The Company's product portfolio is diverse ranging from roofing, walling, flooring, and polymer solutions to engineering solutions. The company is also committed towards effective product sustainability.

Product leadership

Charminar, Birla Aerocon, and Parador are all well-known market leaders in their respective product segments and gained recognition from prestigious international organisations throughout the years.

Diversified geographic presence

The company operates 24 state-of-the-art manufacturing facilities in India, as well as two manufacturing facilities in Germany and Austria. It approximately has over 30000 people, 47 manufacturing sites, 21 service delivery locations, and businesses operating on five continents

Governance-led practices

HIL is driven by corporate governance and ethical principles to ensure all compliances and maintain a high standard.

Product portfolio

HIL has established itself well in the markets with strong brand value and consumer trust in the products it offers. HIL has an extensive and diverse portfolio, catering to a trusted and growing clientele in the building material business. The Company will continue improving and expanding its product portfolio based on customer feedback. The Company enables innovation, R&D, agility, and a focus on profitable growth. With its commitment towards an advanced product portfolio, HIL work towards its goal of making HIL a $1 billion company.

▶ Roofing solutions

Charminar (HIL's flagship brand) has been a well-recognised, trusted and well received brand of HIL and is the market leader in Indian roofing and cladding. With its extensive range of innovative and sustainable products, it leads the roofing market.

Fortune – Charminar offers a wide range of products from asbestos cement sheets and colour coated sheets to eco-friendly non-asbestos.

Charminar fibre cement sheets (most used roofing material for all types of structures) are a composite building and construction material, essentially used in roofing and facade applications due to its strength and longevity. In the construction of industrial buildings, warehouses, sheds, and dwellings, fibre cement sheets are employed. They are cost-effective, light, fire-resistant, and are also available in brick red colour.

Charminar Fortune, a non-asbestos, eco-friendly, autoclaved roofing solution, is the Company's most recent breakthrough in response to the global need for sustainable, affordable and durable roofing.

Fortune is aimed for the future of green roofing. Asbestos-free composition, good dimensional stability, strong impact, sound insulation, and low drying shrinkage/moisture movement are all attributes that seeks appreciation.

▶ Building solutions

Birla Aerocon is the ultimate for all modern construction needs. Walling solutions are part of the Birla Aerocon green building line. Wet walling solutions include Birla Aerocon AAC Blocks and dry mix materials, while dry walling solutions include cement sandwich panels, boards, and jointing compound.

Birla Aerocon's Wet Walling solution are affordable and sustainable, like all of its other products. It contains load-bearing and energy-saving building materials that require curing. Birla Aerocon's Dry Walling solution includes pre-cured, high-performance, light-weight, easy-to-install walling options.

The Company will continue to evaluate and launch new business lines. Some new launches like tile adhesive, primers, gypsum plasters, water tanks, waterproof putty, Teflon tapes, and others, are currently undergoing test launches. More information will be released as they turn out to be successful.

▶ Polymer solutions

Birla HIL pipes offer a variety of plumbing solutions that are eco-friendly, anti-microbial, affordable. It includes CPVC, UPVC, column pipes, SWR, and Pressure Pipes and Fittings. These are excellent for residential, industrial, and commercial purposes.

Birla HIL CPVC pipes are an eco-friendly, aesthetic, and light-weight alternative to the commonly used GI pipes. It's suitable for hot and cold potable water applications in residential, commercial, and industrial settings.

Birla HIL column pipes systems have several, first-of-their-kind technological innovations, that make it the product leader in the national market.

Birla HIL UPVC pressure piping systems come in a variety of diameters and pressure classes, making them an excellent choice for water supply and irrigation. Plain and Sol-fit versions are available for both the potable and irrigation sectors. The Company is expanding its product offerings to include additional types of pipe SKUs to secure a prosperous future.

Birla HIL Wall Putty is a fast-moving product in the polymer solutions, in which HIL holds a premium position in terms of quality and brand recognition. It is made using advanced True colour technology, which allows for a real reflection of the chosen paint shade. This makes the wall paint dazzle in its original 'just as you choose' shade. The HIL Putty offers special qualities that help save money and time and does not require paint priming, therefore making it cost-effective.

▶ Flooring solutions

Parador is a well-known brand for its high-quality wooden floors all around the world. As a German manufacturer of laminate, engineered wood and vinyl flooring, Parador offers people style and taste in a contemporary and effective manner. It offers relevant products and services that caters to people's needs and wants. This adds actual value to the consumer's life through a combination of quality, design, and innovation.

The three product lines – Basic, Classic, and Trend time offer a wide range of decors to morph visions into reality.

Parador has been delivering consistent results since its acquisition almost 2.5 years back. Under HIL, Parador remains aligned with other business verticals and fosters an ambitious growth strategy. The Company has gained a rise in revenue and expects further profit with decline in material costs.

Wind Power

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

Research and Development

HIL's is proud to have world class R&D centres in India and in Germany to cater to product development and product innovations round the clock. The state-of-the-art infrastructure testing facility & the in-house pilot plant setup, R&D centre at Hyderabad has been recognised by DSIR (Department of Scientific & Industrial Research), Govt. of India. The state of the art R&D centre the capability of assessing the performance of various products including roofing solutions, building solutions, polymer solutions & putty, construction chemicals & coatings as a new vertical considered. This division is dynamic in supporting the pursuit for continuous improvement and delivering more value to our customers. As a result of the extensive R&D efforts, we have successfully developed and patented our products and processes both in India & overseas. Our dedicated team of scientists and engineers constantly work on product upgradation, optimum utilisation of raw materials, development of environmental friendly substitute materials, new products and applications. The advanced R&D facility and our top-notch team has enabled our pioneering efforts and helped maintain the market leadership position. The Investments in R&D have been a continuous trend to enhance the capability including spectroscopy & accelerated weathering, and in this direction the latest putty lab installed in India enables us to stay ahead of curve in polymer solutions.

Innovation and Digitalization

Innovation and Digitalization continue to be the crucial drivers of HIL's evolution. In the year 2021-22, we continue to leverage technologies like IoT (factory automation), data analytics, robotic process automation, Back Office Automation and Sales & Marketing digitization to cater to business needs and accelerate growth. We have digitized four more shop floors and we are proud to say that nine of our plants are completely connected now on Industry 4.0. Further to this, we are focusing on solutions like predictive maintenance, predictive quality to increase throughput and reduce costs.

On the supply chain front, we have introduced transport management system that enhances our logistics processes. With features like digital indenting, truck tracking, electronic proof of delivery, quick transporter payments, this system has helped us simplify our operational hassles. Robotic Process Automation of few processes in operations continue to give savings in man efforts.

Our efforts on making data accessible continue to reap benefits, by enabling and empowering users to take better decisions. We are now investing our energy in extending the same to our front line teams.

We have enabled elastic hyper converged infrastructure to decrease data center complexity and increase scalability, further modernizing our data center infrastructure. With today's business continuity being more dependent on technology than ever, cyber security has gained immense importance. Cyber-attacks can no further be curbed by antivirus software or firewalls. With the no longer a question of "if" cyber-attacks will happen but rather "when", HIL has strengthened its three pillars of Cyber Security (People, Process & Technology) by implementing multiple tools to protect our assets from unwanted cyber-attacks like Zero Trust Application, Enterprise IDS (Intrusion Detection System) & IPS (Intrusion Prevention System).

Key Financial Ratios on Consolidated Basis

Key Financial Ratios*	FY 2021-22	FY 2020-21	% Change	Comments
Debtors Turnover (No. of Days)	12.57	15.48	(18.77)	Improved due to higher focus on collection
Inventory Turnover (No. of Days)	62.35	63.26	(1.44)	Improved due to better inventory management using six sigma
Interest Coverage Ratio	49.42	14.35	244	Improved due to higher realisation, cost optimisation resulting to higher EBIT
Current Ratio	1.36	1.28	6.94	Improved due to efficient working capital management
Debt Equity Ratio	0.25	0.41	(40)	Improved due to increase in Net Worth, efficient working capital management higher profitability generated higher cash flow resulted into prepayment of debts
Operating Profit Margin (%)	12%	14%	(15)	Reduced due to Raw Material and Input Price Pressure
Net Profit Margin (%)	6%	7%	(15)	Reduced due to Raw Material and Input Price Pressure
Return on Net Worth (%)	19%	25%	(21)	Reduced due to pressure on Margins on account of higher Raw Materials and Input Prices

Note: FY 2021 ratios are calculated after the exclusion of discontinued operations.

*Computation of key ratios have been derived at as follows:
[Debtors Turnover (in days) = 365/(Revenue from Operations/Average Trade Receivables)]
[Inventory Turnover (in days) = 365/(Revenue from Operations/Inventories)]
(Interest Service Coverage Ratio = Profit Before Tax and Interest on debt/Interest on debt)
(Current Ratio = Current Assets/Current Liabilities)
(Debt Equity Ratio = Debt /Total Equity including all reserves)
(Operating Profit Margin % = EBITDA/Revenue from Operations)
(Net Profit Margin % = Net Profit after Tax/Revenue from Operations)
(Return on Net Worth % = Net Profit After Tax/ Avg. Net Worth (Total Equity including all reserves))

Environment, Health and Safety

The Company believes that a clean environment in and around the work place fosters health and prosperity for the individual, the group and the community they belong to. HIL system of risk management is designed to reduce environmental incidents and occupational injuries and illnesses. Our EHS Policy formally establishes our focus on environmental protection and occupational health and safety at every level.

A key component of the overall risk management strategy is the implementation of a robust EHS Management thorough set of management and technical standards for key EHS risk areas across our business. To help protect our employees from injuries, we identify high risk areas and invest in a wide range of technological solutions and awareness-raising initiatives. For machine safety, we use virtual design reviews and augmented reality to conduct technical risk assessments to ensure all physical and safety awareness measures are installed. We also invested in ergonomic wearables to address posture behaviors to help reduce ergonomic risk for our associates. We are also digitizing EHS systems so that we can report, track, and implement action plans in real time.

We proactively monitor current and emerging environmental protection legislation and other areas of concerns across our value chain, and follow a risk-based approach leveraging our EHS Management system

We are striving to achieve virtually zero waste to landfill in our direct operations. We approach each site with a tailored approach that takes into account local infrastructure and the greatest opportunities for improvement.

HIL has established Air Quality Management Standard to define minimum requirements and best management practices to ensure that each applicable facility complies with applicable air regulations and applies risk management practices to reduce impacts on human health and the environment.

We are delighted to state that we produce no process waste water and that all of the water used in our operations is recycled. Domestic waste will be treated in a STP to fulfil local pollution control board standards before being repurposed for gardening.

Human Resources

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

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

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

HIL has brought all its employee Rewards & Recognition events under an umbrella branded as "Yashotsav", which is a platform to recognise & reward employees across its plants and offices.

Employee Headcount

As on 31st March, 2022 the permanent employee strength of HIL is 1610 employees.

Recognitions and awards

Some of the special recognition received by the company during this year on Human Resource and Culture front are as under:

- HIL is ranked amongst the India's 30 Best Workplaces in Manufacturing in 2020, 2021 and 2022;
- It is also ranked amongst the "India's 100 Best Companies to work for" by the 'Great Places to Work' Institution – 2020, 2021 and 2022.
- HIL secured 57th rank, in "India's 100 Best Companies to work for - 2022" by the Great Place to Work Institution.
- HIL is also recognised as best workplaces in "Building Material & Cement Industry" by the 'Great Places to Work' Institution in 2020, 2021 and 2022.
- HIL was recognised and awarded as "India's Most Ethical Companies Award" for the year 2022.

Risk Management

HIL in its endeavour of fulfilling its business objectives is exposed to various market risks however HIL is well positioned to manage and deal with different market risks in a fast-paced ever evolving business environment. The Company has with determined focus traversed a long path from being a market leader in the domestic markets to establishing itself as an emerging global brand.

HIL has implemented a number of measures to assess, identify, and effectively reduce risks that may arise from time to time.

Risks	Significance and meaning	Mitigation
Commodity and raw material price risks	Supply chain disruptions result in the price fluctuation of critical raw materials such as cement, steel, resin, and wood causing incremental costs placing pressure on margins.	HIL seeks to preserve long-term partnerships with its suppliers, avoiding the risk of price fluctuations. The company also has a significant global network, that makes easy sourcing of products from various regions at competitive prices.
Macroeconomic risks	Political, economic instability, and geopolitical events beyond the company's control have the potential to negatively impact the HIL's operations.	HIL's operations spread across multiple countries and segments, decreasing its reliance on a single country or market..
Financial risks	The company is exposed to exchange rate volatility because of its global presence. Currency rate fluctuations may have a detrimental effect on the Company's profitability.	HIL enters into forward contracts to hedge foreign exchange risks, thus limiting any negative impact from exchange rate fluctuations.
Technology risks	With the advent of technology, the need for enhanced systems and processes to boost operational efficiency and provide better customer satisfaction has surged. HIL may face difficulties if it fails to adapt to a changing environment.	HIL's manufacturing facilities are equipped with advanced gear and technologies that increases the Company's efficiency. It also maintains and tracks proper functioning of equipment and replaces then when necessary.
Quality risks	Failure to maintain product quality and adhere to relevant quality standards may have a damaging effect on the company's reputation as well as financial position.	To offer defect-free and high-quality products, HIL follows strict quality management processes. Quality certificates have also been given to the company, establishing its market legitimacy.
Human capital risks	The key to an organisation's success is having skilled and capable workforce. HIL's expansion capability may fluctuate if it is unable to retain or hire qualified and experienced staff.	To help its employees' professional development, HIL offers a variety of skill development and training programmes. The organisation also has a succession plan in place to ensure that the leadership of the organisation remains strong.
Environment risks	HIL struggling to keep its environmental footprints below permitted standards may negatively impact the Company's reputation and result in financial losses.	HIL has a well-managed EHS programme. It actively examines the effects on the environment and makes actions to reduce them. It also takes a systematic approach for effective waste management, resource utilisation, and carbon reduction.
COVID risk	Although the pandemic is close to being over small eruptions are still witnessed with infections. Amongst them 'Omicron' being the potent driver given the rate of infection on the rise	To ensure all employees and their families including eligible children are vaccinated with appropriate vaccines and dosages Continuous awareness at all locations in strictly adhering to the Covid Appropriate Behaviour

Cautionary statement

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non-identified risks and uncertainties that could cause actual results to differ materially. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, arising due to new information, future events, or otherwise.

Annexure (II): Annual Report on Corporate Social Responsibility (CSR) activities for the financial year ended 31st March, 2022

1. Brief outline on CSR Policy of the Company:

HIL strongly believes in contribution to the social and economic development of the communities in which we operate as a key factor for holistic development of the weaker sections of society and to support effectively towards inclusive growth and raise the country's human development index.

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

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

2. The Composition of CSR Committee:

The Corporate Social Responsibility Committee ('CSR Committee') of the Board of Directors of the Company comprises of the Directors as indicated below:

S. No	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Desh Deepak Khetrapal	Chairman, Non-Executive Director	2	2
2	Mr. VV Ranganathan	Member, Independent Director	2	2
3	Mrs. Gauri Rasgotra	Member, Independent Director	2	1

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

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

Composition of the Committee: https://hil.in/investor-relations/committee-compositions/

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below: https://hil.in/investor-relations/

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

Not applicable to the Company.

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

6. Average net profit of the company as per section 135(5): ₹ 14500.21 Lacs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹290.10 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

8. (d) Total CSR obligation for the financial year (7a+7b-7c): ₹290.10 Lacs

9. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lacs)	Amount Unspent (₹ in Lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
291.15	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project	Mode of implementation Direct (Yes/No)	Mode of implementation –Through implementing agency	
				State	District			Name	CSR Reg. No.
NIL									

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

S. No	Name of the project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/No)	Location of the Project (State/ District)	Amount Spent on the Project (₹ In Lacs)	Mode of Implementation (Direct –Yes/No)	Mode of Implementation (Through implementing agency) (Name & CSR Registration No)
1	Promoting Health care	(i)	It covers local as well as other	Various States (Telangana & Faridabad)	72.00	Yes	Asian Health Care Hospital
2	Vocational Training for Tribal and education facilities for girl child	(ii)	It covers local as well as other	Various States (Delhi, Wada, Telangana, Jasidhi, Faridabad and Sathariya)	204.26	Yes	1) Vanvasi Raksha Parivar Foundation 2) Samarthan Trust 3) DEAF Enabled 4) Centre for Social Service 5) Deputy Commissioner of Deoghar 6) Shirdi Sai Baba Temple Society 7) Community Health Centre 8) Ashray - Akruti Foundation 9) Kasturba Gandhi Awasiya Balika Vidyala 10) Golan Gram Panchayat 11) Indian Guide Village Empowerment Foundation
3	Supporting woman entrepreneurs	(iii)	Yes	Telangana	2.00	Yes	Abhaya Foundation
4	Ensuring Environmental Sustainability	(iv)	No	Faridabad	7.89	No	Municipal Corporation Green Belt
5	Supporting disaster management	(xii)	No	Andhra Pradesh	5.00	Yes	Connect To Andhra
Total					**291.15**		

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 291.15 Lacs

(g) Excess amount for set off, if any

S. No	Particulars	Amount (INR Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	290.10
(ii)	Total amount spent for the Financial Year	291.15
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.05
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.05

10. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

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

a) Date of creation or acquisition of the capital asset(s)

b) Amount of CSR spent for creation or acquisition of capital asset

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.,

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

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

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	CK Birla	**Desh Deepak Khetrapal**
May 6, 2022	Chairman	Chairman- CSR Committee
New Delhi	DIN: 00118473	DIN: 02362633

Annexure (III): Corporate Governance Report

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

1. CORPORATE GOVERNANCE PHILOSOPHY

HIL strongly believes in ethical and transparent behaviour at all levels. HIL survives on accountability and the trust of the stakeholders. HIL as one family is strongly committed in good governance, responsible corporate citizenship and respect for all. Your Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and ethical behaviour in all spheres of its operations and in all its communication with its stakeholders.

Corporate Governance which is an on-going process that ensures the affairs of the Company are managed with proper accountability, fairness and transparency to the core of its sense. This also helps and enables the Board and Management to achieve the goals and objectives effectively for the benefit of the Company and all its Stakeholders such as customers, shareholders, creditors and employees.

Key elements of Corporate Governance are transparency, internal controls, risk management, internal and external communications, high standards of safety, health, environment, accounting fidelity and product & service quality. The Board has empowered responsible persons to implement its Broad policies and guidelines and has set up adequate review processes/mechanisms to achieve the said purpose and your Company continuously strives to achieve excellence in corporate governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

In terms of the Listing Regulations, the details of compliance for the year ended March 31, 2022 are as follows:

2. BOARD OF DIRECTORS

(a) Composition and other related matters

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

Composition of Board of Directors as on March 31, 2022, Number of Directorships including committee positions held by them as on March 31, 2022 and attendance for the meetings of Board and previous Annual General Meeting (held on July 30, 2021) are given below:

Mr. CK Birla Chairman Promoter Non-Executive	
Nationality	Indian
DOB	January 9, 1955
Date of appointment	February 2, 1980
Tenure on Board	NA
Shareholding	51376
Number of Directorships held in other Companies	
Total Directorships [1]	7
Directorships in listed Companies	4
Directorships in other Public Companies [2]	3
Number of Committee positions held in other Companies [3]	
Chairman	-
Member	-
Attendance of Board Meetings	6
Attendance at Previous AGM	Yes

Core Skills /Expertise /Competencies

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

Mr. Dhirup Roy Choudhary Managing Director & CEO	
Nationality	Indian
DOB	October 12, 1968
Date of appointment	January 16, 2017
Tenure on Board	5.3 years
Shareholding	21360
Number of Directorships held in other Companies	
Total Directorships [1]	-
Directorships in listed Companies	-
Directorships in other Public Companies [2]	-
Number of Committee positions held in other Companies [3]	
Chairman	-
Member	-
Attendance of Board Meetings	6
Attendance at Previous AGM	Yes

Core Skills /Expertise /Competencies

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

Mr. Desh Deepak Khetrapal

Non-Executive Director

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

Number of Directorships held in other Companies

Total Directorships [1]	2
Directorships in listed Companies	2
Directorships in other Public Companies [2]	-

Number of Committee positions held in other Companies [3]

Chairman	-
Member	3
Attendance of Board Meetings	6
Attendance at Previous AGM	Yes

Core Skills /Expertise /Competencies

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

Mrs. Gauri Rasgotra

Independent Director (NED)

Nationality	Indian
DOB	September 5, 1968
Date of appointment	May 8, 2015 & May 8, 2019
Tenure on Board	7 years 1 month
Shareholding	Nil

Number of Directorships held in other Companies

Total Directorships [1]	1
Directorships in listed Companies	1
Directorships in other Public Companies [2]	-

Number of Committee positions held in other Companies [3]

Chairman	1
Member	2
Attendance of Board Meetings	5
Attendance at Previous AGM	Yes

Core Skills /Expertise /Competencies

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

Dr. Arvind Sahay

Independent Director (NED)

Nationality	Indian
DOB	February 21, 1965
Date of appointment	February 8, 2019
Tenure on Board	3 years, 1 month
Shareholding	Nil
Number of Directorships held in other Companies	
Total Directorships [1]	1
Directorships in listed Companies	1
Directorships in other Public Companies [2]	-
Number of Committee positions held in other Companies [3]	
Chairman	2
Member	2
Attendance of Board Meetings	6
Attendance at Previous AGM	Yes

Core Skills /Expertise /Competencies

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

Mr. VV Ranganathan

Independent Director (NED)

Nationality	Indian
DOB	December 15, 1952
Date of appointment	March 19, 2019
Tenure on Board	3 years
Shareholding	Nil
Number of Directorships held in other Companies	
Total Directorships [1]	-
Directorships in listed Companies	-
Directorships in other Public Companies [2]	-
Number of Committee positions held in other Companies [3]	
Chairman	-
Member	-
Attendance of Board Meetings	6
Attendance at Previous AGM	Yes

Core Skills /Expertise /Competencies

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

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

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

(3) Chairmanships / Memberships of the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted Public Limited Companies as per Regulation 26 of SEBI Listing Regulations.

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

Mr. CK Birla

Listed Companies	Designation in the other company	Committee Positions in the other company#
Orient Paper & Industries Limited	Chairman & Director	Nil
Orient Cement Limited	Chairman & Director	Nil
Orient Electric Limited	Chairman & Director	Nil
Birlasoft Limited	Non-Executive Director	Nil

Mr. Desh Deepak Khetrapal

Listed Companies	Designation in the other company	Committee Positions in the other company#
Orient Cement Limited	Managing Director	AC & SRC
Orient Electric Limited	Non-Executive Director	AC

Mrs. Gauri Rasgotra

Listed Companies	Designation in the other company	Committee Positions in the other company#
Orient Paper & Industries Limited	Independent Director	AC & SRC

Dr. Arvind Sahay

Listed Companies	Designation in the other company	Committee Positions in the other company#
IFCI Limited	Independent Director	AC & SRC

#This includes only Chairmanships / Memberships of the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted Public Limited Companies as per Regulation 26 of SEBI Listing Regulations

Declarations:

- The composition of the Board is in conformity with the Regulation 17(1) of the SEBI LODR Regulations.
- None of Directors are related to each other in terms of the definition of "relative" as defined in Section 2(77) of the Companies Act, 2013.
- None of the Directors on the Board are directors on more than eight companies as required under Regulation 17 of SEBI LODR Regulations.
- None of the Independent Directors are serving as independent director in more than seven listed entities as required under Regulation 17 of SEBI LODR Regulations.
- None of the Independent Directors are Managing Director or Whole Time Directors on other listed entities as required under Regulation 17 of SEBI LODR Regulations.
- Independent Director means a Director as defined under Regulation 16 of the Listing Regulations and Section 149 of the Act and All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulations 16(1)(b) and 25 of the Listing Regulations and Section 149(6) of the Act. In the opinion of the Board, all the Independent Directors fulfills the conditions specified under Listing Regulations and the Act and are independent of the management.
- None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the Companies in which he/she is a Director as required under Regulation 26 of SEBI LODR Regulations.
- Expect Mr. CK Birla, who holds 51376 equity shares representing 0.68% and Mr. Dhirup Roy Choudhary, who holds 21360 equity shares representing 0.28% none of the other Directors holds shares or control in the Company.
- During the financial year 2021-22, information as specified in Part A of Schedule II to the Regulations such as annual operating plans and budgets, capital budgets, financial results of the Company, foreign currency exposures on quarterly basis and such other information as and when applicable were placed before the Board for its consideration.

- The senior management personnel confirmed that they don't have any personal interest in respect of all material financial and commercial transactions entered into by the Company, which may have a potential conflict with the interest of the Company at large.
- The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and rules made thereunder read with Regulation 25 of the SEBI Listing Regulations.
- As per the requirements of Regulations 25(6), there was no requirement to replace the vacancy created by the resignation of the Independent Directors and the composition of the Independent Directors meet the requirement of Independent Directors in its Board of Directors without filling the vacancy created by such resignation
- The Company has suitable Directors & Officers Insurance Policy obtained with adequate coverage and complies the requirement of Regulation 25(10) of SEBI Listing Regulations.
- A formal letter of appointment is issued to all Independent Directors, a specimen of which is been placed on the Company website https://hil.in/investor-relations/. Details of Directors along with their profile are forming part of the Notice of 75th Annual General Meeting of the Company.

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

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

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

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

The Board members collectively display the following personal qualities:

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

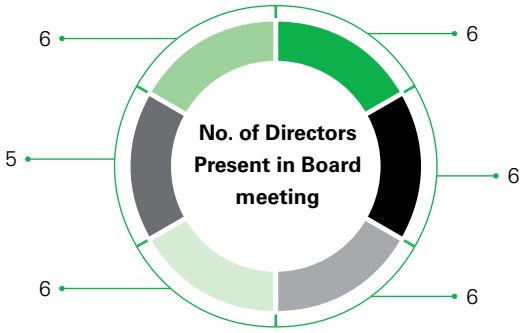
Your Company's Board comprises of an equal number of Independent and Non-Independent Directors. The Directors are professionals, possessing wide experience and expertise in their areas of function - strategy; finance; governance and legal; marketing, insurance, among others, which together with their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

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

Core skills /expertise / competencies	Mr. CK Birla	Mr. Dhirup Roy Choudhary	Mr. VV Ranganathan	Dr. Arvind Sahay	Mrs. Gauri Rasgotra	Mr. Desh Deepak Khetrapal
Governance and Board service	Yes	Yes	Yes	Yes	Yes	Yes
Business Understanding	Yes	Yes	Yes	Yes	Yes	Yes
Risk/Legal/Regulatory Compliance	Yes	Yes	Yes	Yes	Yes	Yes
Information Technology / Accounting/Financial Experience	Yes	Yes	Yes	Yes	Yes	Yes
Industry/Sector Knowledge	Yes	Yes	Yes	Yes	Yes	Yes
Strategy development and implementation	Yes	Yes	Yes	Yes	Yes	Yes

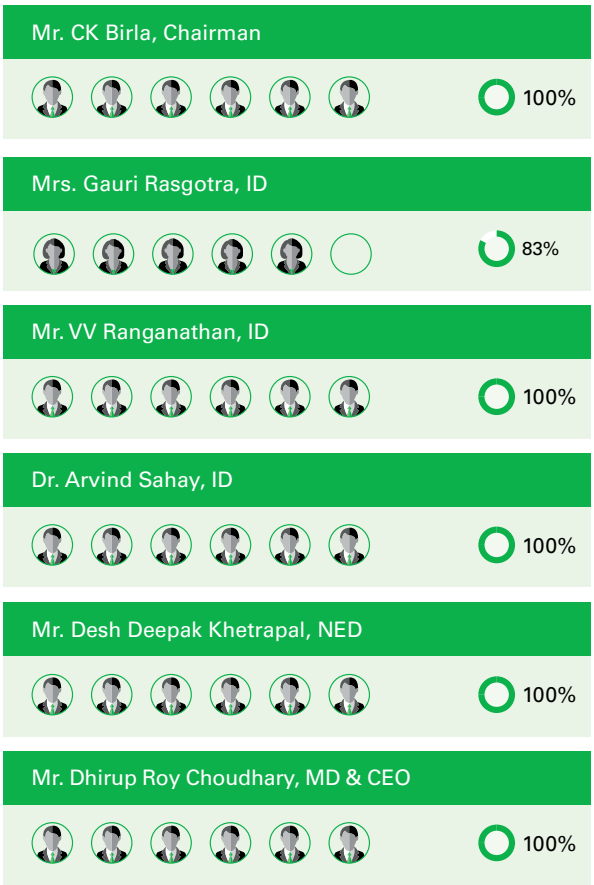
(b) Board Meetings and Procedures

During the year under review, 6 (Six) Board Meetings were held (as detailed below) and the maximum time-gap between any two consecutive meetings is not more than one hundred and twenty days, thereby complying with the applicable statutory requirements.



May 14, 2021	100%	December 06, 2021	100%
July 30, 2021	100%	January 27, 2022	83%
October 27, 2021	100%	March 28, 2022	100%

No. of Meetings Attended by Directors



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

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

Other significant details included in the presentation / agenda discussion covers fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, material default in financial obligations, public or product liability claims, corporate guarantees / security issued, update on internal controls, instances of significant fraud along with quarterly / annual financial statements including budgets and capex and revenue budgets of subsidiaries (including its subsidiaries).

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

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

(c) Independent Directors' Meeting:

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

(d) Board Induction, Training and Familiarisation

At the time of appointing a Director, a formal letter of appointment is given to them, which inter alia explains the role, function, duties and responsibilities expected of them as a Director/ Independent Director of the Company. They are also explained in detail the compliances required from him

under the Companies Act, Listing Regulations, Insider Trading Regulations and other relevant regulations on regular basis.

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

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

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

(e) Performance of the Board and evaluation

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

- Structured evaluation forms, as recommended by the Nomination & Remuneration Committee, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, were circulated to all the members of the Board along with the agenda papers for evaluation of the performance of the Board, its Committees and its Directors.
- The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.
- Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board / Committee/ Individual Director, and formulated a final collective evaluation of the Board. The Board also provided an individual feedback to the concerned Director on areas of improvement, if any.

3. COMMITTEES OF DIRECTORS

3.1 Audit Committee

(a) Composition and Meetings

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

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, 5 (five) Audit Committee Meetings were held and the maximum gap between any two meetings was not more than one hundred and twenty days.

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



May 14, 2021	100%	December 06, 2021	100%
July 30, 2021	100%	January 27, 2022	75%
October 27, 2021	100%		

No. of Meetings Attended by Directors

Mr. VV Ranganathan, Chairman	100%
Mr. Desh Deepak Khetrapal, Member	100%
Mrs. Gauri Rasgotra, Member	80%
Dr. Arvind Sahay, Member	100%

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

The Chairman of the Audit Committee, Mr. VV Ranganathan, was present at the last Annual General Meeting of the

Company held on July 30, 2021 and Company Secretary acts as a Secretary to the Audit Committee.

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

(b) Role of Audit Committee

The terms of reference, role and powers of the Audit Committee are as prescribed under Part C, Schedule II in terms of Regulation 18 of 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.

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

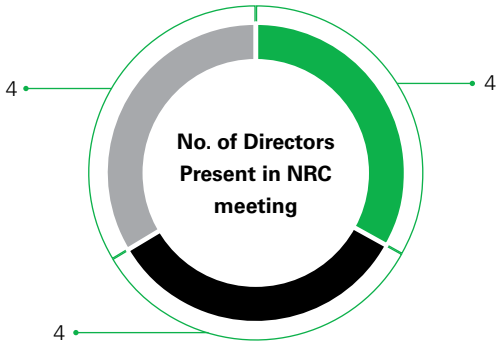
The details of related party transactions as required under the Companies Act, 2013, SEBI Listing Regulations and the applicable Accounting Standards (Ind-AS) are provided in others part of the Annual Report.

3.2 Nomination & Remuneration Committee

(a) Composition and Attendance

The current composition of the Nomination & Remuneration Committee comprises of (3) Three Non-Executive Directors out of which 2 (two) are Independent Directors and the Committee is empowered with the powers as prescribed under Regulation 19 of SEBI LODR Regulations and Section 178 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

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



May 14, 2021	100%
July 30, 2021	100%
December 06, 2021	100%

No. of Meetings Attended by Directors

Mr. VV Ranganathan, Chairman	100%
Mrs. Gauri Rasgotra, Member	100%
Mr. Desh Deepak Khetrapal, Member	100%
Mr. CK Birla, Member	100%

The following are the changes to the Committee during the year

Date	Change	Reason
March 28, 2022	Change in Composition	Reconstitution of the Committee. Mr. Desh Deepak Khetrapal stepped down as the Member of Nomination & Remuneration Committee of the Board pursuant to the amended SEBI LODR Regulation.

(b) Nomination, Remuneration and Evaluation Policy

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

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

The Nomination and Remuneration Policy of the Company, as adopted by the Board of Directors is available on the website of the Company and can be accessed through the following link: https://www.hil.in/investors/codes-policies .

The key objectives of this Policy includes:

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

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

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

The remuneration paid/payable to each of the Directors for the financial year ended March 31, 2022 is as under:

Name of Director	Tenure	Remuneration for the financial year ended March 31, 2022 (₹ In Lacs)				
		Sitting Fee	Salary & Perquisites	Performance Pay	Commission	Total
Mr. CK Birla	NA	7.50	0	0	50.00	57.50
Mr. Desh Deepak Khetrapal	NA	14.00	0	0	20.00	34.00
Mrs. Gauri Rasgotra	5	12.75	0	0	15.00	27.75
Dr. Arvind Sahay	5	13.50	0	0	15.00	28.50
Mr. VV Ranganathan	5	16.00	0	0	20.00	36.00
Mr. Dhirup Roy Choudhary	5	NA	1627.70	0	0	1627.70

Notes:

1. The Members of the Company at the Annual General Meeting held on July 28, 2016 approved the payment of remuneration by way of commission to the Non-Executive Directors of the Company for each financial year commencing from April 01, 2016. All the Non-executive Directors are eligible to receive commission up to a maximum of 1% of profits calculated in accordance with the provisions of Section 197 of the Companies Act 2013, as recommended by the Nomination & Remuneration Committee and approved by Board, in addition to the sitting fees.

2. The Executive Directors are the employees of the Company and are subject to service conditions as per the Company's Policy. There is no separate provision for payment of severance fees.

3. As on March 31, 2022, 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. The Chairman of the Committee was present the Annual General Meeting held on July 30, 2021.

7. **Criteria for making payment to Non-executive Directors:** The criteria of making payment to the Non-executive directors is based on the varied roles played by them towards the Company. It is not just restricted to corporate governance or outlook of the Company, but they also bring along with them significant professional expertise and rich experience across the wide spectrum of functional areas. There are no payments made to Non-Executive Directors apart from sitting fee, commission and reimbursements of expenses, if any for attending the meetings of the Company.

8. Details of Employee Stock Options, issue price, holding of ESOPs by KMPs, details of exercise, vesting etc., are provided in others parts of the annual report.

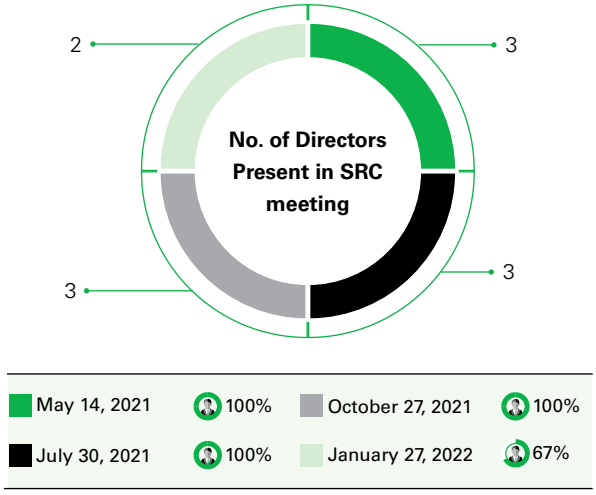
3.3 Stakeholders' Relationship Committee:

(a) Composition and Meetings

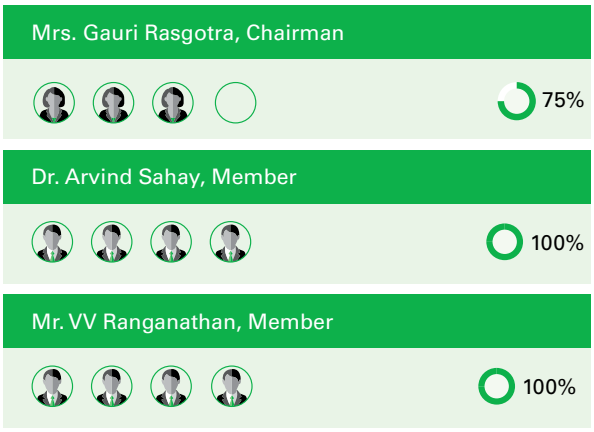
The Stakeholders' Relationship Committee comprises of 3(three) Independent Non-Executive Directors.

The Committee is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificates, transmission of shares and other miscellaneous complaints. In accordance with SEBI LODR Regulations, the Board has authorised the Company Secretary, who is also the Compliance Officer, is empowered to oversee the redressal of investor complaints.

Details of the meetings, composition and attendance Committee is as follows:



No. of Meetings Attended by Directors



(b) Compliance Officer

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

(c) Shareholders' Complaints and Redressed

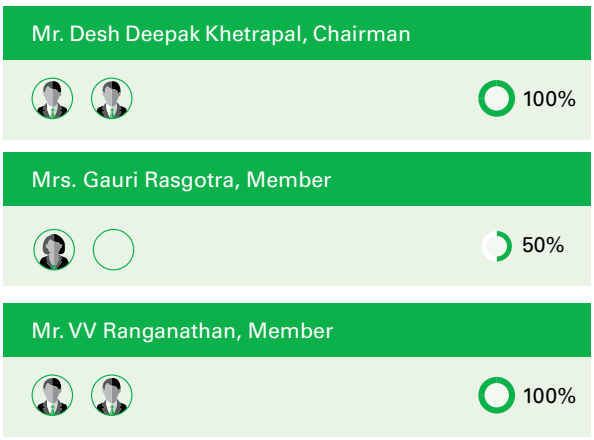
During the year 2021-22, all requests received from the shareholders were attended on time and the following queries/ requests/complaints were received and resolved in the prescribed time:

Nature of Communication	As on April 1, 2021	Received during the year	Resolved during the year	As on March 31, 2022
Non-Receipt of Dividend Warrants	0	0	0	0
Non-Receipt of Share Certificates on transfer	0	0	0	0
Non-Receipt of Annual Report	0	0	0	0
Non-Receipt of Exchanged Share/Split Share/ Bonus Share Certificate	0	0	0	0

3.4 Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee comprises of 3 (three) Non-Executive Directors out of which 2(two) are Independent Directors. During the year under review, the Corporate Social Responsibility (CSR) Committee met on May 14, 2021 and January 27, 2022. The composition of the Corporate Social Responsibility (CSR) Committee and the attendance of each Member of the Committee at the meetings were as follows:

No. of Meetings Attended by Directors



The Terms and Reference of the Committee are as follows:

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

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

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

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

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

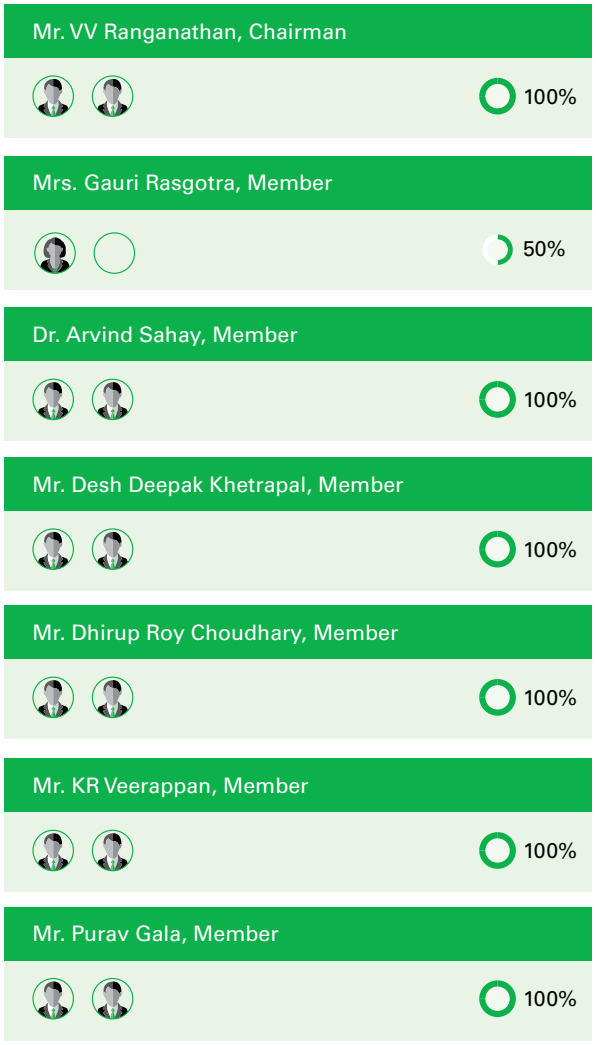
3.5 Risk Management Committee:

(a) Composition and Attendance

The Risk Management (RM) Committee comprises of 7 (seven) members out of which 4 (four) are Non-Executive Directors consists of 3(three) are Independent Directors and 1(one) Non-Independent Director; 2(two) Key Managerial Personnel out of which 1 (one) is Executive Director (Managing Director & CEO) and the other 1 (one) is Chief Financial Officer; 1(one) Head Internal Audit and the Committee is empowered with the powers as prescribed under Regulation 21 of SEBI LODR Regulations and Section 134 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

During the year under review, the Risk Management (RM) Committee met on July 30, 2021 and January 27, 2022. The composition of the Risk Management (RM) Committee and the attendance of each Member of the Committee were as follows:

No. of Meetings Attended by Director / KMP / Sr. Management



The Committee vested with the following Roles & Responsibilities:

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

4. SUBSIDIARY COMPANY

As per the criteria given in Regulation 16 of SEBI (LODR), Regulations 2015, HIL International GmbH, Germany is a material subsidiary of the Company. Brief details of the Subsidiaries including step down subsidiaries are given in the Board's report.

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

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

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

4. GENERAL BODY MEETINGS

a. Location, time and venue where last three Annual General Meetings were held:

Financial Year	Date & Time of AGM	Venue of AGM
2020-21	Friday, July 30, 2021 at 3.00 pm IST	Held via two-way Video Conferencing ('VC') facility or other audio visual means ('OAVM') deemed venue is the registered office situated at 7th Floor, SLN Terminus, Gachibowli, Hyderabad 500 032
2019-20	Wednesday, July 29, 2020 at 3.00 pm IST	Held via two-way Video Conferencing ('VC') facility or other audio visual means ('OAVM') deemed venue is the registered office situated at 7th Floor, SLN Terminus, Gachibowli, Hyderabad 500 032
2018-19	Thursday, July 24, 2019 at 3.00 pm IST	Asbestos Centre, Road No.13, Banjara Hills, Hyderabad

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

In the Annual General Meeting held on July 24, 2019	• To reappoint Mrs. Gauri Rasgotra (DIN: 06862334) as Independent Director of the Company
In the Annual General Meeting held on July 29, 2020	• Nil
In the Annual General Meeting held on July 30, 2021	• Nil

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

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

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

There were no postal ballots during 2020-21 and 2021-22.

(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 has been made in the notes to the Financial Statements.

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

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

(b) Compliance

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

(c) Code of Conduct

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

All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2022. A declaration to this effect signed by Managing Director & CEO forms part of this report as an Annexure.

(d) Whistle Blower Policy/Vigil Mechanism

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

In line with requirement of the Companies Act, 2013 and of Regulation 22 of SEBI LODR Regulations, Vigil Mechanism/ Whistle Blower Policy has been formulated for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct etc. The said Policy provides for adequate safeguard

against victimization of Directors/employees who avail of such mechanism and provides access to the Chairman of Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee. The Whistle Blower Policy has been placed on website of the Company and web link thereto is http://hil.in/investor-relations/policies/

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

(e) **Material Subsidiary Policy:** As per Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015, the Company adopted the Material Subsidiary Policy and placed the same on website of the Company and web link thereto is http://hil.in/investor-relations/policies/

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

(g) Disclosure of Accounting Treatment

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

(h) CEO/CFO Certification

In terms of requirements of Regulations 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 March 31, 2022 is forming part of the this report. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on May 6, 2022

(i) Details of Non-Compliance and Penalties

There were no strictures or penalties imposed on the Company by either Stock Exchanges or SEBI or any Statutory Authority for non-compliance on any matter related to Capital Market during the last three years.

(j) Compliance Certificate of conditions of Corporate Governance

The Certificate from M/s. BSR & Associates, LLP, [ICAI Firm Registration Number 116231W / W-100024], Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance for the financial year ended March 31, 2022 forms part of this report.

(k) Prevention of Insider Trading

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

(l) Disclosure Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition, And Redressal) Act, 2013

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

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

(m) Risk Management

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

6. MEANS OF COMMUNICATION

- **Website:** The Company's website http://www.hil.in contains a separate section for Investors wherein the updated information pertaining to quarterly, half-yearly and annual financial results, official press releases, shareholding pattern is available in a user-friendly and downloadable form.
- **Financial Results:** The quarterly, half-yearly and annual financial results of the Company are submitted to the BSE Limited and National Stock Exchange of India Limited immediately after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper and one Telugu newspaper within 48 hours of approval thereof and are also posted on Company's website http://www.hil.in/investor-relations/.

- **Annual Report:** Annual Report containing inter alia Financial Statements, Directors' Report, Auditors' Report, and Corporate Governance Report is circulated to the members and others entitled thereto.
- **Quarterly Communication:** The quarterly results are communicated to the members of the Company by way of email and also placed on the website of the Company http://www.hil.in/investor-relations/.
- **Designated Exclusive Email ID:** The Company has designated E-mail Id cs@hil.in exclusive for shareholder/ investor servicing.
- **Uploading on NEAPS & BSE Listing Centre:** The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.
- **Investor Calls and Presentations:** Investor Call and presentations are communicated to the Members and Stock Exchanges and also placed on the website of the Company http://www.hil.in/investor-relations/ on approval of quarter, half and yearly results by the Board of Directors of the Company.

7. GENERAL SHAREHOLDER'S INFORMATION:

Date, time and Venue of AGM	Friday, July 29, 2022 at 3.00 pm IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") (Facility hosted by NSDL)
Financial year	April 1, 2021 to March 31, 2022
Book Closure	From Saturday, July, 23, 2022 till Friday, July 29, 2022 (both days inclusive)
Record Date for Final Dividend	Friday, July 22, 2022
Dividend Payment Date	Will be credited or dispatched on or before August 23, 2022. Interim dividend declared during the year 2021-22 was paid on February 15, 2022.
Listing on Stock Exchanges	1) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI – 400001 2) National Stock Exchange of India Limited. 'EXCHANGE PLAZA' 5th Floor, Plot #C/1,G-Block, Bandra Kurla Complex, Bandra (E), MUMBAI – 400051
Stock Code	BSE 509675 / HIL; NSE: HIL
Listing Fees	The Listing fee for the year 2021-2022 and 2022-23 has been paid to both the above said Stock Exchanges.
E-voting facility	Open Date: Monday, July 25, 2022 @ 9:00 AM Close Date : Thursday, July, 28, 2022 @ 5:00 PM
Address for Correspondence	Mr. Mahesh Thakar, Company Secretary & Head of Legal HIL Limited, 7th Floor, SLN Terminus, Survey No.: 133, Beside Botanical Gardens, Gachibowli, Hyderabad- 500032.Tel: 91 40 68249000, 68249150(D), Email: cs@hil.in
Suspension of Trading	No securities of the Company were suspended from trading on stock exchanges during the year under review.
Convertible Instruments	The Company has not issued any convertible instruments

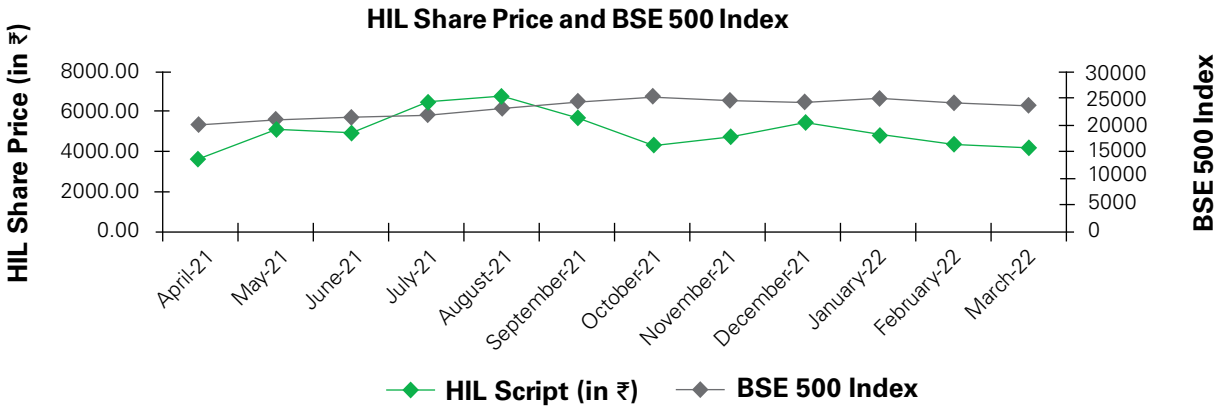
Remote e-voting at the Annual General Meeting: To allow the Members to vote on the resolutions proposed at the Annual General Meeting, the Company has arranged for a remote e-voting facility. The Company has engaged NSDL to provide e-voting facility to all the Members. Members whose names appear on the Register of Members as on July 22, 2022 shall be eligible to participate in the e-voting and the Members who have not already cast their vote by remote e-voting can exercise their vote at the Annual General Meeting.

MARKET PRICE DATA

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2021-22 at the BSE Limited and the National Stock Exchange of India Limited were given below:

Month	BSE Limited (BSE)			National Stock Exchange of India Ltd., (NSE)			BSE 500 Index	
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares traded	High	Low
Apr-21	3710.00	2900.00	25842	3716.80	2955.20	270993	20150.78	18982.96
May-21	5170.00	3380.00	58336	5170.00	3360.00	603120	21082.40	19444.49
Jun-21	4954.15	4285.10	37273	4959.00	4350.00	325374	21715.10	20951.07
Jul-21	6525.00	4306.00	65136	6550.00	4302.25	651925	21895.01	21346.66
Aug-21	6750.00	5067.10	83519	6758.05	5061.35	571646	23198.73	21844.65
Sep-21	5703.05	5050.55	26177	5740.00	5050.00	256414	24345.46	23133.26
Oct-21	5500.00	4285.10	56675	4255.00	5375.00	493846	25454.92	23746.52
Nov-21	4770.10	4200.00	29489	4774.70	4200.00	236320	24902.17	22881.93
Dec-21	4518.80	3900.40	21281	5375.00	4255.00	493846	24257.45	22428.02
Jan-22	4860.85	4050.20	39003	4864.90	4053.25	313275	25150.53	22900.34
Feb-22	4382.45	3739.15	22361	4390.00	3735.00	267111	24315.95	21857.13
Mar-22	4202.15	3700.35	27768	4213.00	3700.00	275929	23803.16	21339.78

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 : The requests received for deletion of name, transmission of shares, split and issue of duplicate share certificates are processed and despatched to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid deletion of name, transmission of shares, split and issue of duplicate share certificates are approved by Stakeholders Relationship Committee and are noted at Board Meetings. The shares of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. During the year, the Company obtained a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, subdivision, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015. These certificates were duly filed with the Stock Exchanges.

Distribution of Equity Shares as on March 31, 2022

Sl. No.	Range	No. of Shares	Percentage to Capital	No. of Shareholders	Percentage to Total
1	Upto - 500	1556807	20.72	38070	97.42
2	501 - 1000	381399	5.08	510	1.31
3	1001 - 2000	363149	4.83	254	0.65
4	2001 - 3000	198562	2.64	79	0.20
5	3001 - 4000	146539	1.95	41	0.10
6	4001 - 5000	160426	2.14	35	0.09
7	5001 - 10000	317776	4.23	46	0.12
8	10001 and above	4389245	58.41	42	0.11
	Total:	**7513903**	**100.00**	**39077**	**100.00**

Shareholding Pattern as on March 31, 2022

Sl. No.	Category	For the quarter ended March 31, 2022	
		No. of shares held	% of share holding
01.	**Promoters Group**		
	Indian	3059212	40.70
	Foreign	-	-
02.	**Non-promoters**		
	Institutions	622522	8.29
	Central Government/State Government(s)	305552	4.07
	Non Institutions		
	a. Bodies Corporate	455514	6.06
	b. Individuals	2813439	37.44
	c. Clearing Members	12129	0.16
	d. Trust	5516	0.07
	e. Non Resident Individuals	204945	2.73
	f. IEPF Authority	35074	0.47
	TOTAL	**7513903**	**100.00**

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

The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization facility. As on March 31, 2022, 99.35% of the Company's Equity Shares are in dematerialised form.

Locations

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

8. Other Information/Requirements:

(a) Financial Calendar

The financial year covers the period starting from 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 March 31, 2023 are as follows:

Board Meeting for consideration of unaudited quarterly results for the financial year 2022-23	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 2022-23	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 2022-23	On or before September 30, 2023*

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 may vary.

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

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

(c) Transfer of Unclaimed Dividends and Shares thereof

During the year under review, an amount of ₹947950/- pertaining to unpaid/unclaimed (final dividend 2013-14, Amount ₹ 295580/- on September 02, 2021 and Interim Dividend 2014-15, Amount ₹ 652370/- on November 13, 2021) have been transferred to Investor Education and Protection Fund (IEPF).

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
2014-15	Final	30-Jul-2015	27-Aug-2022
2015-16	Interim	04-Feb-2016	04-Mar-2023
2015-16	Final	28-Jul-2016	26-Aug-2023
2016-17	Interim	16-Jan-2017	14-Feb-2024
2016-17	Final	18-Jul-2017	16-Aug-2024
2017-18	Interim	24-Jan-2018	22-Feb-2025
2017-18	Final	06-Aug-2018	04-Sept-2025
2018-19	Interim	08-Feb-2019	09-Mar-2026
2018-19	Final	24-Jul-2019	22-Aug-2026
2019-20	Interim	13-Feb-2020	14-Mar-2027
2019-20	Final	29-Jul-2020	27-Aug-2027
2020-21	Interim	02-Feb-2021	02-Mar-2028
2020-21	Final	30-Jul-2021	28-Aug-2028
2021-22	Interim	27-Jan-2022	25-Feb-2029

As per the provisions of Section 124 of the Companies Act, 2013 the Company is under process to transfer the unclaimed dividend and shares, wherein the dividends are unclaimed for seven consecutive years i.e from Final Dividend 2014-15 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 2014-15 final dividend, onwards are requested to make their claims without any delay to Registrar and Share Transfer Agents (RTA) of the Company for claiming the unclaimed/unpaid dividends.

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

Divided Account	No. of Shares	Transfer Date
Final Dividend 2013-14	795	September 06, 2021
Interim Dividend 2014-15	2186	November 11, 2021

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

IEPF ACCOUNT

HIL IEPF Suspense Account maintained with NSDL		Shares	No. of Shareholders
01.04.2021	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	32165	494
Add	Transfer to IEPF Suspense during the year Final dividend (2013-14)	795	20
Add	Transfer to IEPF Suspense during the year Interim dividend (2014-15)	2186	10
Less	Transferred from IEPF to Shareholder	29	1
31.03.2022	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	35117	523
31.03.2022	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	309	5
31.03.2022	Number of shareholders to whom shares were transferred from suspense account during the year	29	1

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

Detailed Manner is available at http://www.iepf.gov.in/IEPF/refund.html

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

As on 31st March, 2022, there were no Options outstanding under HIL Employee Stock Option Scheme 2015 and 86867 were outstanding under HIL Employee Stock Option Scheme 2019. Each Option is convertible into one equity share of ₹ 10/- each. The Company had not issued any GDRs/ADRs/ Warrants etc. during the year 2021-22.

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

During the year 2021-22, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports and also receivable from its wholly owned subsidiary. The details of foreign currency exposure are disclosed in notes forming part of the financial statements.

(f) Register e-mail address

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

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

(g) Board Confirmation on Independent Directors

Board of Directors hereby confirms that, the independent directors fulfil the conditions specified in SEBI Listing Regulations and are independent of the management.

(h) Resignation of Independent Directors

There were no resignation of Independent Directors during the year.

(i) Certificate from M/s.PS Rao & Associates, Company Secretary in Practice dated May 6, 2022, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is enclosed herewith

(j) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is ₹ 114.65 Lacs.

(k) Compliance with Non Mandatory Requirements

- The Board – The Chairman of the Company is a Non-Executive Director and does not maintain the Chairman's office at the Company's expenses.
- Separate posts of Chairman and CEO – The Company has a separate CEO.
- Shareholders Rights – As per requirements, the financial results were made available on the Company's website www.hil.in.
- 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.

Annexures to CG Report

CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

A. We have reviewed financial statements (Standalone & Consolidated) along with the cash flow statement of our Company for the financial year ended 31st March, 2022 and that to the best of our knowledge and belief we hereby certify that:

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

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

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

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

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

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

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

Sd/-
KR Veerappan
Chief Financial Officer
HIL Limited
Place : New Delhi
Date : May 06, 2022

Sd/-
Dhirup Roy Choudhary
Managing Director & CEO
HIL Limited
Place : New Delhi
Date : May 06, 2022

DECLARATION BY THE MANAGING DIRECTOR

I, Dhirup Roy Choudhary, Managing Director & CEO, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for the year 2021-2022.

Place: New Delhi
Date: May 06, 2022

Sd/-
Dhirup Roy Choudhary
Managing Director& CEO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
HIL Limited
SLN Terminus, 7th Floor,
SY no 113, Gachibowli,
Hyderabad 500032

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any other Statutory Authority.

Sl. No.	Name of the Director	DIN	Date of appointment in Company
1	Mr. Dhirup Roy Choudhary	07707322	16.01.2017
2	Mr. Velloor Venkatakrishnan Ranganathan	00060917	19.03.2019
3	Mr. Chandrakant Birla	00118473	04.02.1980
4	Mr. Desh Deepak Khetrapal	02362633	28.10.2013
5	Dr. Arvind Sahay	03218334	08.02.2019
6	Mrs. Gauri Rasgotra	06862334	08.05.2014

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

For P.S. Rao & Associates
Company Secretaries

Sd/-
Mohit Gurjar
Partner
M. No. 20557
C P No: 18644
UDIN: A020557D000279849

Place: Hyderabad
Date: May 6, 2022

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

To
The Members of HIL Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 21 October 2019 and addendum to the engagement letter dated 04 May 2022.

2. We have examined the compliance of conditions of Corporate Governance by HIL Limited ("the Company"), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

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

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2022.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

Restriction on use

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

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Sd/-
Vikash Somani
Partner
Membership No.: 061272
UDIN: 22061272AIMNHL8182

Place: Hyderabad
Date: 06 May 2022

Annexure (IV): Details of Related Party Transactions

Form No. AOC-2

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

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

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

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

Sl. No.	Name(s) of the related party	Nature of relationship	Nature and Salient terms contracts /arrangements/transactions including the value, if any (INR Lacs)		Duration of the contracts / arrangements/ transactions	Date(s) of approval by the Board, if any
1	Orient Cement Limited	1) Mr. CK Birla, Director is a Director of the Company and holds more than 2% of the Share Capital. 2) Mr. Desh Deepak Khetrapal, Director of the Company is the Managing Director of Orient Cement Limited	Receipt of Rent	81.84	Ongoing	Refer Note-1
			Sales of Company Products*	2.48	On requirement basis	Refer Note-1
2	Orient Paper & Industries Limited	1) Mr. CK Birla, Director is a Director of the Company and holds more than 2% of the Share Capital. 2) Mr. Gauri Rasgotra, Independent Director Company is an Independent Director of Orient Paper Limited	Receipt of Rent	66.04	Ongoing	Refer Note-1
			Sales of Company Products*	2.97	On requirement basis	
			Dividend	407.86	-	-
3	HIL International GmbH, Germany	Wholly owned Subsidiary of the Company	Interest Income	655.50	Ongoing as per loan agreement	Refer Note-2
			Interest Received	351.05		
4	Parador GmbH, Germany	Step Down Subsidiary of the Company	Purchases of Goods	108.38	On requirement basis	Refer Note-1
			Reimbursements of expenses	12.15		
5	GMMCO Limited	Related Party	Purchase of Goods	9.45	On requirement basis	Refer Note-1
			Purchase of Services (AMC and Other)	9.08		

Sl. No.	Name(s) of the related party	Nature of relationship	Nature and Salient terms contracts /arrangements/transactions including the value, if any (INR Lacs)		Duration of the contracts / arrangements/ transactions	Date(s) of approval by the Board, if any
6	Birla Buildings Limited	Related Party	Rent Paid	0.44	On requirement basis	Refer Note-1
			Rent Received	0.04		
			Purchase of Services	31.59		
			Reimbursements	12.03		
			Divident Received	0.25		
7	National Engineering Industries Ltd.	Related Party	Rent Paid	86.50	On requirement basis	Refer Note-1
			Reimbursements	12.12		
8	CK Birla Corporate Services Limited	Related Party	Brand Usage Payment	109.95	Ongoing	Refer Note-1
			Professional Services Payment	574.46	On requirement basis	
			Reimbursements	15.54	On requirement basis	
9	CK Birla Healthcare Pvt. Ltd.	Related Party	Purchase of Services	12.71	On requirement basis	Refer Note-1

*Reported on accrual basis.

Note:

1. As per the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, none of the above mentioned transactions were material in nature and all the transaction are in accordance with the omnibus approval of the Audit Committee granted on October 27, 2021 as well the Board has approved the said transactions at its meeting held on October 27, 2021. The transactions are also ratified by the Audit Committee and Board on quarterly basis. The sale and purchase values are shown at base value of the materials sold or purchased, including taxes applicable.

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

For and on behalf of the Board of Directors

Sd/-
CK Birla
Chairman
DIN: 00118473

Place: New Delhi
Date: May 6, 2022

Annexure (V): Secretarial Audit Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To
The Members
HIL Limited
Hyderabad

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2022** has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2022 according to the provisions of:
    I. The Companies Act, 2013 ('the Act') and the amendments rules made thereunder;
    II. The Securities Contracts ('Regulation') Act, 1956 ('SCRA') and the rules made thereunder;
    III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
    IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
    V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
        a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
        b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
        c. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
    a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    b. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
    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, 2021; and
    e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
3. The industry specific major law that is applicable to the company is Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 under the Environment (Protection) Act, 1986.
4. We have also examined compliance with the applicable clauses of the following:
    a. SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015
    b. Secretarial Standards issued by the Institute of Company Secretaries of India and notified under the Act.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

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

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

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

For P.S. Rao & Associates
Company Secretaries

Sd/-
P S Rao
Partner
M. No. F10322
C P No: 3829
PR: 710/2020
UDIN: F010322D000282011

Place: Hyderabad
Date: 06.05.2022

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

'Annexure A'

To
The Members
HIL Limited
Hyderabad

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

1. Maintenance of secretarial and other statutory record is the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P.S. Rao & Associates
Company Secretaries

Sd/-
P S Rao
Partner
M. No. F10322
C P No: 3829
PR: 710/2020
UDIN: F010322D000282011

Place: Hyderabad
Date: 06.05.2022

Annexure (VI): Report on Subsidiaries & Joint Ventures

Form AOC-1

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES

Part "A": Subsidiaries:

₹ in Lacs unless otherwise mentioned

Name of the subsidiary		HIL International GmbH, Germany	Parador Holdings GmbH, Germany	Parador GmbH, Germany	Parador Parkettwerke GmbH, Austria
S.No.	Particulars	Wholly Owned Subsidiary	Step Down Subsidiary	Step Down Subsidiary	Step Down Subsidiary
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2021 – 31.03.2022	01.04.2021 – 31.03.2022	01.04.2021 – 31.03.2022	01.04.2021 – 31.03.2022
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year.	Reporting currency: Euro Exchange rate: a. Average rate ₹ 86.60819/ Euro is considered for P&L items b. Closing rate ₹ 84.15369/ Euro is considered for balance sheet items			
3	Paid-up share capital	€34025000	€100000	€25000	€32702775
4	Reserves & Surplus	13207.36	8530.21	1.32	9561.47
5	Total Assets	77637.98	52327.39	67476.10	20245.70
6	Total Liabilities	33149.28	43713.03	67453.73	9689.26
7	Investments	45465.62	21.93	7244.44	0
8	Turnover	0	0	153203.89	35694.90
9	Profit before taxation	4504.19	0	0	986.10
10	Provision for taxation	404.54	0	0	257.93
11	Profit after taxation	2725.27	0	0	740.74
12	Proposed Dividend	0	4662.03	4948.16	0
13	% of shareholding	100% held by HIL Limited	100% held by HIL International GmbH, Germany	100% held by Parador Holdings GmbH, Germany	100% held by Parador GmbH, Germany

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

Part "B": Associates and Joint Ventures

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

Sl. No.	Name of Joint Ventures	Supercor Industries Limited, Nigeria	Parador (Shanghai) Trading Co., Ltd., China*
1	• Last audited balance sheet date • Latest Balance Sheet	31st December, 2015 Refer note no. 46 to consolidated Notes to Accounts.	31st December, 2020 Refer note no. 46 to consolidated Notes to Accounts.
2	Shares of Joint Ventures held by the Company on the year end • Number • Amount of Investment in JV • Extent of Holding	 4125000 equity shares of Naira 1/- each ₹ 142.60 Lacs 33%	 One share of EURO 100000 each ₹ 323.74 Lacs 50%
3	Description of how there is significant influence	There is no significance influence	There is no significance influence

Sl. No.	Name of Joint Ventures	Supercor Industries Limited, Nigeria	Parador (Shanghai) Trading Co., Ltd., China*
4	Reason why the associate/joint venture is not consolidated	Refer note no. 46 to consolidated Notes to Accounts	Not Applicable
5	Net worth attributable to shareholding as per latest Balance Sheet	Refer note no. 46 to consolidated Notes to Accounts	₹ 294.45 Lacs
6	Profit/Loss for the year • Considered in Consolidation • Not Considered in Consolidation	Refer note no. 46 to consolidated Notes to Accounts	₹ 218.42 Lacs

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

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

For and on behalf of the Board of Directors

Sd/-
CK Birla
Chairman
DIN: 00118473

Sd/-
Dhirup Roy Choudhary
Managing Director & CEO
DIN: 07707322

Sd/-
KR Veerappan
Chief Financial Officer

Sd/-
Mahesh Thakar
Company Secretary &
Head - Legal

Place: New Delhi
Date: May 6, 2022

Annexure (VII): Details pertaining to the remuneration

(Pursuant to section 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 2021-22, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2021-22:

S. No.	Name of the Director/ KMP (Designation)	Remuneration for FY 2021-22 (₹ in Lacs)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2021-22
1	Mr. CK Birla (Chairman)	57.50	10.87	NA
2	Mr. VV Ranganathan (Independent Director)	36.00	6.81	NA
3	Dr. Arvind Sahay (Independent Director)	28.50	5.39	NA
4	Mrs. Gauri Rasgotra (Independent Director)	27.75	5.25	NA
5	Mr. Desh Deepak Khetrapal (Non-Executive Director)	34.00	6.43	NA
6	Mr. Dhirup Roy Choudhary (Managing Director & CEO)	1627.70	240.97	Refer note (b) below
7	Mr. KR Veerappan (Chief Financial Officer)	318.27	60.16	73% Refer note (c) below
8	Mr. Mahesh Thakar Company Secretary & Head Legal)	70.89	13.40	NA

Note:

a. Except for the Managing Director & CEO other Director's remuneration includes sitting fee and commission paid during the FY 2021-22.

b. During the financial year aggregate remuneration paid was ₹ 811.65 Lacs which includes ₹ 352.90 Lacs incentives to be paid under the employee long term incentive plan. Further, he exercised ESOPs options during the year within the meaning of Employee Stock Option Scheme 2015 thereby attracting the perquisite value amounting to ₹ 815.95 Lacs.

c. Including long term incentive of ₹ 108.37 Lacs under Long term employee incentive plan.

d. Remuneration of KMP does not include the provisions made towards gratuity, leave benefits. Variable pay for KMPs (other than exit cases) has been shown on payment basis.

2. The median remuneration of employees of the Company during the financial year 2021-22 was ₹ 5.29 Lacs against the median remuneration of ₹ 4.42 Lacs during the previous year signifying an increase of 19% in the financial year;

3. As on 31st March 2022, there were 1610 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. 2021-22 was 12% whereas the percentage increase in the managerial remuneration for managerial personnel in the last financial year i.e. 2020-21 was 9.5%.

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 financial year 2021-22:

S. No.	Name & Designation of the employee	Remuneration for FY 2021-22 (₹ in Lacs)	Qualification and age (in years)	Date of commencement of employment/ cessation	Last employment	Shares held in Company
1	Mr. Dhirup Roy Choudhary Managing Director & CEO	1627.70^	BE (Electrical & Electronics), MDP (IIM-A) (52 yrs)	16/Jan/2017 (29 yrs)	Metrod Holding Berhad, (Bagri Group of Companies, UK)	21360

S. No.	Name & Designation of the employee	Remuneration for FY 2021-22 (₹ in Lacs)	Qualification and age (in years)	Date of commencement of employment/ cessation	Last employment	Shares held in Company
2	Mr. Karuppan Chetty Veerappan Chief Financial Officer	318.27	B.Com (Hons), ACA (54 yrs)	06/Feb/2014 (31 yrs)	Global Green Company Ltd	4000
3	Mr. Hemchandra Peruvelli Chief Human Resources Officer	143.54	PGD PM & IR (49 yrs)	04/Sep/2017 (25 yrs)	Ali Bin Ali Group (Qatar)	0
4	Mr. Arun Kumar Magoo Business Head - Polymer Business	120.00	M. Tech, MBA, MS in International Management (38 yrs)	01/Jun/2020 (13 yrs)	CK Birla Group, Mc Kinsey & Co.	0
5	Mr. Nagendra Pai Business Head – Roofing & Building Solutions Business	98.25	B.Tech, MBA (53 yrs)	15/Sep/2021 (27 yrs)	Gulf Oil India Lubricants Ltd.	0
6	Ajay Kapadia Vice President – Finance & Accounts	97.03	M.Com, CA (47 yrs)	13/Jun/2017 (22 yrs)	Metrod (OFHC) Sdn Bhd, Malaysia	0
7	Mr. Vijay Kumar Lahoti Head Sales – Roofing Business	96.91	MBA (50 yrs)	19/Aug/2019 (27 yrs)	Gujarat Tea Processors & Packers (Wagh Bakri tea Group)	0
8	Mr. Manish Kothari - Head - Strategy	94.61	PGDM (43 yrs)	18/Dec/2020 (16 yrs)	Jindal Poly Films, India	0
9	Mr. Jhunjhunwala P K Head - Imports	91.21	B Com, FCA (67 yrs)	15/Jan/1977 (44 yrs)	NA	27
10	Dr. Vivek Chandra Rao S P Head - Occupational Health	85.48	MBBS, PGDM (68 yrs)	28/Jul/1980 (41 yrs)	NA	50

^ Includes perquisite value of stock options exercised during the financial year 2021-22

5(b). There were no employees drawing a remuneration of ₹ 102.00 Lacs or above during the financial year 2021-22 apart from the employees as detailed in point 5(a) above and there were no employees drawing a remuneration of ₹ 8.50 Lacs or above per month for part of the financial year.

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 as disclosed in Point No. 5 above are contractual and terminable by notice on either side.

2. Remuneration includes salary, variable pay paid during the financial year, various allowances, contribution to provident fund and superannuation fund, taxable value of perks and gratuity paid 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.

5. Employees mentioned above are neither relatives of any directors or managers of the Company, nor hold 2% or more of the paid up capital of the Company as per Clause (iii) of sub rule (2) of Rule no 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

6. The remuneration does not include the provisions made towards gratuity, leave benefits, as they are paid as per the Company's policy. Variable pay has been shown on payment basis.

On behalf of the Board of Directors

Sd/-
CK Birla
Chairman
DIN: 00118473

Place: New Delhi
Date: May 6, 2022

Annexure (VIII): Statement of particulars of the conservation of energy, technology absorption, foreign exchange earnings and outgo

(as per Rule 8 of Companies (Accounts) Rules, 2014)

A. Conservation of energy:

I. Steps taken or impact on conservation of energy:

Company in its efforts to conserve and optimise the use of energy, in all its operations 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. Effective controls are exercised in operation of the plants for optimum usage of Power and Fuel.

II. Steps taken by the Company for utilising alternate sources of energy:

The Company has in total 9.35MW capacity wind turbine generators installed in Gujarat, Tamil Nadu and Rajasthan. The energy generated from these projects is partly used for captive consumption at the Company's Fly-Ash Bricks (AAC) manufacturing units in Gujarat and Tamilnadu. Our Company is making constant efforts to explore further areas of improvement as part of the ongoing program to optimise usage of energy. The Company is also in the process of installing solar panels at its manufacturing plants located at Chennai, Tamil Naidu and Faridabad, Haryana to reduce its carbon foot print.

III. Capital investment on energy conservation equipments:

No specific expenditure exclusively on energy conservation (apart from above) has been incurred. The steps taken for utilising alternate source of energy is continuously being upgraded to improve the overall performance of the Company. The Company is investing approx. 2.4 Crs for setting up solar projects and reduce it carbon foot print.

B. Technology absorption:

I. efforts made towards technology absorption:

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

Filed one patent applications in India this financial year. The patents are entitled

a. "Non-asbestos fiber cement corrugated sheets and manufacturing method thereof".

b. Successfully developed the humid cure non-asbestos fiber cement sheets with high strength meeting IS 14871 Category C and Class 7

c. Acid resistant coating developed for industrial roofing applications

d. Online painting technology developed for fiber cement sheets

e. In-house, cost effective different RAL colour paints developed for coating on Charminar Fortune

f. Developed tile adhesives T1 & T4

g. Epoxy tile grout developed

h. Modified panel jointing compound developed

i. High STC non-asbestos panel of 75 mm thickness developed

j. Developed type-A CB board for external application

k. Decorative interior & exterior primer developed

l. Introduced universal Stainer

m. Developed CaZn, organic and hybrid stabilizer for PVC pipes & fittings

n. Introduced project putty, white cement & gypsum plaster

o. Developed water proofing putty

p. Introduced water storage tank, Teflon tape & half round pipe for rain water harvesting

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

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

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

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

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

The cost of production was reduced by usage of cost-effective raw materials, reduction in power consumption and improving technical efficiencies. Introduction of value added products helped in increasing customer base. Applying new patent increased the intellectual rights.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

IV. Expenditure incurred on Research and Development:

Particulars	2021-22 (₹ in Lacs)
Capital	85.98
Recurring	525.38
Total	611.36
Total R&D expenditure as a Percentage of total income	0.17%

(A) 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:

S. No	Particulars	2021-22 (₹ in Lacs)	2020-21 (₹ in Lacs)
A	**Foreign Exchange Earned**		
	Export of Goods (FOB)	95.47	279.19
	Others	351.05	6346.47
	Total	446.52	6625.66
B	**Foreign Exchange Used**		
	Raw Materials, Components, Spares and Capital Goods (CIF)	39210.41	17731.53
	Others	97.88	68.02
	Total	39308.29	17799.56

Annexure (IX): Business Responsibility Report

(As per Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SECTION-A GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN)	L74999TG1955PLC000656
2	Name of the Company	HIL Limited
3	Registered address	Office No 1 & 2, L7 Floor, SLN Terminus, Sy. No.133, Gachibowli, Hyderabad -500032, Telangana.Tel: 040-68249000/040-68249150
4	Website	www.hil.in
5	E-mail id	cs@hil.in
6	Financial Year reported	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	
	Fibre Cement Sheets & Panels Fly Ash Bricks (NIC Code 23953) UPVC & CPVC Pipes & Fittings (NIC Code 22209/22208) Putty & Dry Mix (NIC Code 23949/23929) Fly Ash Blocks (NIC 23954)	
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	
	The Company has classified its operations into four major business segments as detailed below: a. Roofing Solutions: Asbestos Fiber Cement Sheets and Non Asbestos Fiber Cement Sheets. b. Building Solutions: Autoclaved Aerated Concrete Fly Ash Bricks, Sandwich Panels & Boards. c. Polymer Solutions: UpVC, CpVC & SWR Pipes and Fittings & Wall Putty. d. Flooring Solutions: Resilient floor coverings, Laminate and Engineered wood floorings, wall and Ceiling panels, skirtings and related accessories.	
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	NIL. However the Company is having a WOS at Germany which has two manufacturing locations.
	(b) Number of National Locations	11 manufacturing locations & 40 sales depots
10	Markets served by the Company	Local/State/ National/ International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (₹)	₹ 754.11 Lacs
2	Total Turnover (₹)	₹ 197348.45 Lacs (Standalone)
3	Total profit after taxes (₹)	₹ 18582.82 Lacs (Standalone)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	
	The Company has spent ₹ 291.15 Lacs during the year on Corporate Social Responsibility activities, which is 2% of the Avg. net profits of the preceding three financial years.	
5	List of activities in which expenditure in 4 above has been incurred:-	
	▶ Education ▶ Healthcare ▶ Environment ▶ Covid support	

SECTION C: OTHER DETAILS

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

SECTION D: OTHER DETAILS

1	**Details of the Director/Director responsible for implementation of the BR policy/policies**			
	Name:	Mr. Dhirup Roy Choudhary		
	Designation:	Managing Director & CEO		
	DIN No. :	07707322		
	Details of the Business Responsibility Head			
	Name:	Mr. KR Veerappan		
	Designation:	Chief Financial Officer		
	DIN No. :	Not Applicable		
	Phone :	040-68249105	E-mail:	Veerappan.kr@hil.in

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

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

Principle 1 (P1)

Ethics, Transparency & Accountability

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2 (P2)

Product Lifecycle Sustainability

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3 (P3)

Employee Well Being

Businesses should promote the wellbeing of all employees

Principle 4 (P4)

Stakeholder Engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5 (P5)

Human Rights

Businesses should respect and promote human rights

Principle 6 (P6)

Preservation of Environment

Business should respect, protect, and make efforts to restore the environment

Principle 7 (P7)

Responsible Advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8 (P8)

Inclusive Growth & Equitable Development

Businesses should support inclusive growth and equitable development

Principle 9 (P9)

Customer Value

Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

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

*Approved and Signed by Managing Director & CEO

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

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

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

2. Governance related to Business Responsibility (BR):

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

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

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE:

Principle (1)

Ethics, Transparency & Accountability

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

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

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

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

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

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

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

During the financial year 2021-22, the Company has received NIL complaints. However complaints related to Investors with regard to non-receipt of Dividend, Annual Report etc., are reported under the Corporate Governance Report which forms a part of the Board's Report.

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

Principle (2)

Product Lifecycle Sustainability

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

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

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

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

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

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

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

Asbestos Fiber Cement sheets are widely used for roofing applications made by Hatcheck process. It is well accepted in the market due to low cost, termite proof, long life, and less heat compared to metal sheets,

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

The power consumption is 34 to 35 units/MT.

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

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

Demonstrating its commitment towards contributing to India's transition towards low carbon economy, Company has been promoting the use of renewable sources of energy. Captive solar energy plants have been installed in Faridabad and Chennai with a capacity of 528kW increasing HIL's renewable share in overall energy mix. Carbon credits are also generated through windmills and solar farms and for development of Autoclaved Aerated Concrete (AAC) blocks.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Principle (3)

Employee Well Being

1. Please indicate the total number of employees:

   The total number as on March 31, 2022 was 1610.

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

   3803 employees are hired on contract basis.

3. Please indicate the number of permanent women employees:

   Permanent women employees in the Company as on March 31, 2022, which constitute 4% percent of the total permanent employee strength of the Company.

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

   Two

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

   Yes,

   (i) Telugu Nadu Trade Union Council, Kondapalli Factory

   (ii) Hyderabad Asbestos cement Products Limited, Kamgaar Sangh, Jashidh Factory

   (iii) Bhartiya Kamgar Sena, Wada Factory

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

   13.6%

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

   NIL

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

   (a) Permanent Employees: 100%

   (b) Permanent Women Employees:100%

   (c) Casual/Temporary/Contractual Employees: 100%

   (d) Employees with Disabilities: 100%

Principle (4)

Stakeholder Engagement

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

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

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

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

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

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

   The Company believes in improved health, education, economic livelihood and accordingly has undertaken several programs and initiatives to the disadvantaged, vulnerable and marginalized population living near the Company's manufacturing units. To achieve the same, the Company has a well-formulated CSR policy. During the year the Company has taken up activities i.e. hygiene facilities, free food, support clean environment initiatives around our manufacturing facilities, tree plantation initiatives

near our manufacturing facilities, supporting schools providing educational and vocational support to orphan girl child as well as deaf students from rural and tribal areas as well as provided other Covid Relief support in view of the ongoing pandemic.

Principle (5)

Human Rights

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

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

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

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

   NIL

Principle (6)

Preservation of Environment

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

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

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

   Not directly however as part of it's resolve to protect the environment, Company has adopted environment initiatives like resource conservation, sourcing energy from renewable sources. Wind and solar power for various its locations, recycling and reusing of hazardous waste etc., to control Climate Change, Global warming, etc.

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

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

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

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

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

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

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

   No

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

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

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

   The Company has received two notices, one in Faridabad, Haryana and one in with respect to waste water sampling and accumulation of waste at Factory premises. Company has filed its representation to the respective judicial forums and further proceedings awaited.

Principle (7)

Responsible Advocacy

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

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

   (a) The Fibre Cement Product Manufacturer's Association (FCPMA)

(b) Confederation of Indian Industry (CII),

(c) The Federation of Telangana Chambers of Commerce and Industry (FTCCI)

(d) CII - Indian Green Building Council (IGBC)

(e) Green Ratting for Integrated Habitat Assessment (GRIHA)

(f) Chamber of Commerce

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

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

Principle (8)

Inclusive Growth & Equitable Development

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

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

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

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

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

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

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

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

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

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

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

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

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

During the year 2021-22, the Company engaged in community development initiatives by supporting projects related to educational facilities to orphan girl child school, tribal and adivasis, vocational guidance and traning to deaf student towards self-sufficiency and environmental projects. Company has also supported hospitals deeply engaged in fighting Covid pandemic.

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

During the year, the Company has also been associated with Vanvasi Raksha Parivar Foundation for the past 3 years, CSS School for about 4 years in supporting educational facilities, through which it has provided skill development and vocational trainings and other livelihood facilities for nearly 1000+ villages in Haryana as well as supported orphan girl child to successfully complete higher education and be self-reliant.

Principle (9)

Customer Value

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

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

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

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

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

   No

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

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

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

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

ANNEXURE (X) DISCLOSURE OF ESOPs

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

S. No	Description	HIL Employee Stock Option Scheme, 2015	HIL Employee Stock Option Scheme, 2019
1	Date of Shareholders Approval	ESOP Scheme was approved on 30th July, 2015 and modified on 18th July, 2017	ESOP Scheme was approved on 03rd October, 2019
2	Total number of options granted	84200 (Grant-1 dated 17th August, 2015) 35600$ (Grant-2 dated 27th July, 2017) $ allotted out of the pool account.	105049 (Grant-1 dated 14th October, 2019)
3	Vesting Requirements	• 40% of the Granted Options on completion of 3years from the date of Grant. • 60% of the Granted Options on completion of 4years from the date of Grant.	• 40% of the Granted Options on completion of 3years from the date of Grant. • 60% of the Granted Options on completion of 4years 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).	Fair Value and the Options have been granted at 1234.15/- per option (Exercise Price).
5	Maximum Term of Options Granted	4 years	4 years
6	Options Vested up to 31st March, 2022	21360 Options	Nil
7	Options exercised up to 31st March, 2022	21360 Options	Nil
8	Options lapsed up to 31st March, 2022	Nil	Nil
9	Total number of shares arising as a result of exercise of option	21360 Equity Shares	Nil
10	Number of options outstanding at the beginning of the period (excluding pool account)	21360	86867
	Number of options granted during the year	21360	Nil
	Number of options forfeited / lapsed during the year	Nil	16456
	Number of options vested during the year	21360	Nil
	Number of options exercised during the year	21360	Nil
	Number of shares arising as a result of exercise of options	21360	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 13243200 (21360 options at ₹ 620 exercise price)	Nil
	Number of options outstanding & exercisable at the end of the year	Nil	Nil
11	Variations of terms of options	Nil	Nil
12	Details of options granted to Key Managerial Personnel	Mr. Dhirup Roy Choudhary, Managing Director& CEO: 21360& &21360 options vested and shares were allotted during November 1, 2021, @ All granted options were vested and shares were allotted.	Mr. Dhirup Roy Choudhary, Managing Director & CEO: 55389
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	Not applicable	There were no grants made during the year 2021-22. Details of employees who holds more than 5% of option granted during 2019-20 Mr. Hemchandra Peruvelli, CHRO -11263 (11%) Mr. D Satyanarayana, Head R &D - 5560 (5%)

S. No	Description	HIL Employee Stock Option Scheme, 2015	HIL Employee Stock Option Scheme, 2019
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	Nil	Nil
15	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options during the year calculated in accordance with Ind-AS	Diluted Earnings Per Share is ₹ 246.12	Diluted Earnings Per Share is ₹ 246.12
16	Where the Company has calculated employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company	The Company has calculated employee compensation cost using the Fair Value.	The Company has calculated employee compensation cost using the Fair Value.

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, Risk free interest rate, Expected Life, Expected Dividend, dividend yield and Weighted-average values of share price, Weighted average exercise price and relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time, refer Notes No. 16 to Standalone Financial Statements

Independent Auditor's Report

To the Members of HIL Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of HIL Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition

See Note 23 to the standalone financial statements

The Key Audit Matter	How the matter was addressed in our audit
The Company's revenue is primarily derived from sale of products of roofing solutions, building solutions, polymer solutions and others. We have identified timing of revenue recognition as a key audit matter because there are variations in different sale contracts and consequently, there is a risk of revenue being overstated on account of recognition before transfer of control particularly due to pressures for achieving the performance targets for the year.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – We assessed the appropriateness of the revenue recognition accounting policies and compliance with applicable accounting standards; – We evaluated the design and implementation of key internal financial controls with respect to revenue recognition and tested operating effectiveness of such controls on selected transactions; – We performed substantive testing on samples selected using statistical sampling of revenue transactions, recorded during the year by testing the underlying documents to assess whether criteria for revenue recognition are met; – We tested sample journal entries selected based on specified risk-based criteria, to identify unusual items; – We tested, on a sample basis using statistical sampling, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by testing the underlying documents; and – We carried out product wise year on year variance analysis on revenue recognised during the year to identify unusual variances.

Independent Auditors' Report on the Audit of the Standalone Financial Statements of HIL Limited for the year ended 31 March 2022 (continued)

Other Information

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

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

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

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditors' Report on the Audit of the Standalone Financial Statements of HIL Limited for the year ended 31 March 2022 (continued)

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 53 to the standalone financial statements.

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

   d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 61 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries"); or

      - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 61 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities

Independent Auditors' Report on the Audit of the Standalone Financial Statements of HIL Limited for the year ended 31 March 2022 (continued)

("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries"); or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

e) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Companies Act 2013.

The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in Note 16 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the Members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

We draw attention to Note 40 to the standalone financial statements for the year ended 31 March 2022 according to which the managerial remuneration paid / payable to the Managing Director and Chief Executive Officer of the Company is INR 1627.70 Lacs as compared to the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 of INR 1205.63 Lacs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting. Our opinion is not modified in respect of this matter.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No.: 061272
UDIN: 22061272AIMNAF4883

Place: Hyderabad
Date: 06 May 2022

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2022

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification 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 the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Amount in INR Lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company
Freehold Land	1.27	Faridabad Complex Administration (now known as Municipal Corporation of Faridabad)	No	1964	Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad.
Land and Building	427.60	The Embassy of Union of Soviet Socialist Republics	No	1989	The process for transfer of property in the name of the Company is in progress.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(f) of the Order are not applicable to the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2022 (continued)

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company and the loans provided to the parties covered under Section 186 of the Act, in our opinion the provisions of Section 186 of the Act have been complied with. According to the information and explanations given to us, the Company has not provided guarantee or security to any parties covered under Section 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year, since effective 1 July 2017 these statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of professional tax, provident fund and Tax Deducted at Source.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax, Sales tax, Service tax, Duty of Excise or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount* (INR in lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Sales tax act, 1956	Sales tax/ Value added tax	2.66	1988-89, 1990-91, 1997-98	Supreme court
		105.26	1981-82, 1985-86, 2001-02, 2002-03, 2007-10, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18	High court(s)
		395.01	1989-2016	Tribunal(s)
		1159.52	1991-2018	Appellate authority up to commissioner's level
The Central Excise Act, 1944	Excise duty (including service tax)	90.10	2004-09	Supreme court
		1.28	2007-08	High court(s)
		376.72	2008-2018	CESTAT (s)
		414.78	2003-2017	Appellate authority up to commissioner's level
Income tax Act,1961	Income-tax	935.77	2005-06, 2013-14	High court
		1373.35	2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2017-18, 2018-19	Appellate authority up to Commissioner's level
Wealth Tax	Wealth tax	56.98	1993-94, 1994-95, 1995-96, 1996-97, 1997-98	Hon'ble High Court of Telangana and Andhra Pradesh

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

As explained to us, the Company did not have any disputed statutory dues on account of Provident fund, Employees State of Insurance and Duty of Customs.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2022 (continued)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2022 (continued)

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No.: 061272
UDIN: 22061272AIMNAF4883

Place: Hyderabad
Date: 06 May 2022

Annexure B

to the Independent Auditors' report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of HIL Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Annexure B to the Independent Auditors' Report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2022 (continued)

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Vikash Somani
Partner
Membership No.: 061272
UDIN: 22061272AIMNAF4883

Place: Hyderabad
Date: 06 May 2022

Standalone Balance Sheet

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	54674.55	55180.07
(b) Capital work-in-progress	4	1949.81	601.84
(c) Investment property	5	1972.09	2009.57
(d) Other intangible assets	6	2134.98	1968.26
(e) Intangible assets under development	6	251.73	174.55
(f) Financial assets			
(i) Investments	7	27380.48	27377.89
(ii) Trade receivables	8	-	4.36
(iii) Loans	9	7994.60	8144.24
(iv) Other financial assets	10	2720.65	1991.42
(g) Non-current tax assets (net)		1453.61	2077.63
(h) Other non-current assets	11	897.20	801.47
Total non-current assets		**101429.70**	**100331.30**
Current assets			
(a) Inventories	12	3421759	21319.34
(b) Financial assets			
(i) Investments	7	-	3002.72
(ii) Trade receivables	8	8822.45	7917.30
(iii) Cash and cash equivalents	13	1435.67	1164.19
(iv) Bank balances other than (iii) above	14	1129.55	323.28
(v) Other financial assets	10	628.66	314.89
(c) Other current assets	11	5707.25	5746.44
Total current assets		**51941.17**	**39788.16**
TOTAL ASSETS		**153370.87**	**140119.46**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	754.11	751.97
(b) Other equity	16	102268.94	86899.48
Total equity		**103023.05**	**87651.45**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1097.43	6951.65
(ia) Lease liabilities	18	533.37	270.16
(b) Provisions	21	1540.56	1487.51
(c) Deferred tax liabilities (net)	34	3130.22	3852.27
(d) Other non-current liabilities	22	112.73	197.27
Total non-current liabilities		**6414.31**	**12758.86**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	5520.27	7595.60
(ia) Lease liabilities	18	158.66	112.89
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	19	1537.12	980.30
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	18708.95	16224.78
(iii) Other financial liabilities	20	12960.91	10632.66
(b) Other current liabilities	22	2926.22	3139.02
(c) Provisions	21	1633.38	872.73
(d) Current tax liabilities (net)		488.00	151.17
Total current liabilities		**43933.51**	**39709.15**
TOTAL EQUITY AND LIABILITIES		**153370.87**	**140119.46**
Summary of significant accounting policies	3		
See accompanying notes to the standalone financial statements			

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 06 May 2022

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322
Place: New Delhi

KR Veerappan
Chief Financial Officer
Place: New Delhi

Mahesh Thakar
Company Secretary and
Head - Legal
Place: New Delhi

Date: 06 May 2022

Standalone Statement of Profit and Loss

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

	Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
	CONTINUING OPERATIONS			
I	Revenue from operations	23	197348.45	156588.84
	Other income	24	3196.63	2606.72
	TOTAL INCOME (I)		**200545.08**	**159195.56**
II	**EXPENSES**			
	Cost of materials consumed	25	107173.28	78364.15
	Purchases of stock-in-trade	26	4270.09	4616.13
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(4596.28)	206.64
	Employee benefits expense	28	14973.36	13301.40
	Finance costs	29	450.81	1868.74
	Depreciation and amortisation expenses	30	5381.30	4916.97
	Other expenses	31	48061.14	36760.17
	TOTAL EXPENSES (II)		**175713.70**	**140034.20**
III	**Profit from continuing operations before tax (I-II)**		24831.38	19161.36
IV	**Tax expense:**			
	Current tax	34	6957.36	4945.57
	Deferred tax	34	(708.80)	(8.71)
V	**Profit from continuing operations (III-IV)**		**18582.82**	**14224.50**
VI	**Discontinued operations**			
	Profit before tax from discontinued operations	33	-	6133.95
	Tax expense of discontinued operations	34	-	1583.69
	Profit from discontinued operations (after tax)		**-**	**4550.26**
VII	**Profit for the year (V+VI)**		**18582.82**	**18774.76**
VIII	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of defined benefit (liability) / asset		(55.00)	35.53
	Income-tax relating to above item		13.84	(8.94)
			(41.16)	**26.59**
	(b) Equity investments through other comprehensive income- net change in fair value		2.59	(24.15)
	Income-tax relating to above item		(0.59)	5.53
			2.00	**(18.62)**
	Other comprehensive income for the year, net of income-tax		**(39.16)**	**7.97**
IX	**Total comprehensive income for the year (VII + VIII)**		**18543.66**	**18782.73**
X	Earnings per equity share for continuing operations (par value of INR 10 each)	37		
	Basic (in INR)		247.73	189.97
	Diluted (in INR)		246.12	189.33
XI	Earnings per equity share for discontinued operations (par value of INR 10 each)	37		
	Basic (in INR)		-	60.77
	Diluted (in INR)		-	60.56
XII	Earnings per equity share for continuing and discontinued operations (par value of INR 10 each)	37		
	Basic (in INR)		247.73	250.74
	Diluted (in INR)		246.12	249.89
	Summary of significant accounting policies	3		
	See accompanying notes to the standalone financial statements			

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 06 May 2022

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322
Place: New Delhi

KR Veerappan
Chief Financial Officer
Place: New Delhi

Mahesh Thakar
Company Secretary and
Head - Legal
Place: New Delhi

Date: 06 May 2022

Standalone Statement of Cash Flows

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A	**Cash flows from operating activities**		
	Profit for the year (before tax)	24831.38	25295.31
	Adjustments for:		
	Depreciation and amortisation expense	5381.30	4916.97
	Rental income from investment property	(483.61)	(545.55)
	Provision for impairment of receivables, advances and other assets, net	(506.15)	(194.19)
	Liabilities no longer required written back	(385.83)	(27.87)
	Net (gain) / loss on sale of property, plant and equipment	(730.66)	22.73
	Foreign exchange fluctuations, net	(147.14)	(681.87)
	Financial assets measured at FVTPL-net change in fair value	(671.58)	155.96
	Net gain on sale of current investments	(34.16)	(8.39)
	Employee share based payment expense	71.43	149.17
	Finance costs	450.81	1868.74
	Interest income	(152.59)	(191.87)
	Interest income from loan to subsidiary	(655.50)	(851.37)
	Interest income on income-tax refund	-	(133.35)
	Government grant	(84.55)	(84.55)
	Dividend income	(0.25)	(0.25)
	Profit from sale of discontinued operation	-	(6056.14)
	Operating profit before changes in assets and liabilities	**26882.90**	**23633.48**
	Changes in assets and liabilities:		
	(Increase) / decrease in inventories	(12898.25)	7032.79
	(Increase) / decrease in trade receivables and loans	(249.28)	5857.15
	Increase in other financial assets	(115.45)	(58.92)
	Decrease / (increase) in other assets	74.07	(280.67)
	Increase / (decrease) in trade payables	3573.98	(3720.11)
	Increase in other financial liabilities	2041.17	2207.50
	Increase in provisions	758.70	432.74
	(Decrease) / increase in other current liabilities	(212.80)	491.06
	Cash generated from operating activities	**19855.04**	**35595.02**
	Income-tax paid (net of refund)	(6010.26)	(6332.05)
	Net cash from operating activities (A)	**13844.78**	**29262.97**
B	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment	(5973.22)	(5471.62)
	Proceeds from sale of property, plant and equipment	911.83	164.77
	Proceeds from sale of discontinued operation	-	7763.64
	Proceeds from sale of mutual funds	23035.88	10908.53
	Purchase of mutual funds	(19999.00)	(12299.96)
	Interest received	507.61	1829.98
	Dividends received	0.25	0.25
	Bank balances not considered as cash and cash equivalents (net)	(758.19)	91.75
	Rent received from long-term investment in properties	483.61	545.55
	Net cash (used in) / from investing activities (B)	**(1791.23)**	**3532.89**
C	**Cash flows from financing activities***		
	Repayment of long-term borrowings	(5020.60)	(22021.92)
	Receipts of long-term borrowings	-	4500.00
	Repayment of short-term borrowings (net)	(2996.81)	(10855.17)
	Interest on lease liabilities	(53.39)	(44.74)
	Repayment of lease liabilities	(169.53)	(197.85)
	Finance costs	(300.39)	(1923.58)
	Proceeds from issue of share capital	132.43	88.29
	Dividend paid on equity shares	(3373.78)	(1874.31)
	Net cash used in financing activities (C)	**(11782.07)**	**(32329.28)**
	Net increase in cash and cash equivalents (A+B+C)	**271.48**	**466.58**
	Cash and cash equivalents at the beginning of the year	1164.19	697.61
	Cash and cash equivalents at the end of the year	**1435.67**	**1164.19**

Standalone Statement of Cash Flows

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

* Changes in liabilities arising from financing activities:

Particulars	As at 01 April 2021	Cash flow changes	Non-cash changes	As at 31 March 2022
Long-term borrowings	9047.25	(5020.60)	87.86	4114.51
Short-term borrowings	5500.00	(2996.81)	-	2503.19

Note:

a) The above standalone statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

b) The Company has presented its cash flows that analyses all cashflows in total - i.e., including both continuing and discontinued operations; amounts related to discontinued operations are disclosed in note 33. However in our view, cash flows from discontinued operations can also be presented in other ways.

c) Cash and cash equivalents comprises of:

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
- In current accounts	1434.28	1162.21
Cash on hand	1.39	1.98
Cash and cash equivalents as per balance sheet	**1435.67**	**1164.19**

Summary of significant accounting policies (refer note 3)

See accompanying notes to the standalone financial statements

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 06 May 2022

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322
Place: New Delhi

KR Veerappan
Chief Financial Officer
Place: New Delhi

Mahesh Thakar
Company Secretary and
Head - Legal
Place: New Delhi

Date: 06 May 2022

Standalone Statement of Changes in Equity

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

a. Equity share capital

Particulars	Balance at the beginning of the year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
Balance at 31 March 2022	**751.97**	**-**	**-**	**2.14**	**754.11**
Balance at 31 March 2021	**750.55**	**-**	**-**	**1.42**	**751.97**

b. Other equity

	Reserves and surplus					Items of OCI	
	Retained earnings	Securities premium	General reserve	Capital redemption reserve	Shares options outstanding account	Equity investments through OCI	Total
Balance at 01 April 2020	**27589.82**	**774.76**	**41100.00**	**35.00**	**210.93**	**41.91**	**69752.42**
Total comprehensive income for the year ended 31 March 2021							
Profit for the year	18774.76	-	-	-	-	-	18774.76
Share based payment, net of reversal (refer note 43)	-	-	-	-	149.17	-	149.17
Other comprehensive income (net of tax)	26.59	-	-	-	-	(18.62)	7.97
Total comprehensive income	**18801.35**	**-**	**-**	**-**	**149.17**	**(18.62)**	**18931.90**
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-
Dividend	(1871.71)	-	-	-	-	-	(1871.71)
Share options exercised	-	167.10	-	-	(80.23)	-	86.87
Balance at 31 March 2021	**43519.46**	**941.86**	**42100.00**	**35.00**	**279.87**	**23.29**	**86899.48**
Balance at 01 April 2021	**43519.46**	**941.86**	**42100.00**	**35.00**	**279.87**	**23.29**	**86899.48**
Total comprehensive income for the year ended 31 March 2022							
Profit for the year	18582.82	-	-	-	-	-	18582.82
Share based payment, net of reversal (refer note 43)	-	-	-	-	71.43	-	71.43
Other comprehensive income (net of tax)	(41.16)	-	-	-	-	2.00	(39.16)
Total comprehensive income	**18541.66**	**-**	**-**	**-**	**71.43**	**2.00**	**18615.09**
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-
Dividend	(3375.92)	-	-	-	-	-	(3375.92)
Share options exercised	-	250.64	-	-	(120.35)	-	130.29
Balance at 31 March 2022	**57685.20**	**1192.50**	**43100.00**	**35.00**	**230.95**	**25.29**	**102268.94**

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 06 May 2022

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322
Place: New Delhi

KR Veerappan
Chief Financial Officer
Place: New Delhi

Mahesh Thakar
Company Secretary and
Head - Legal
Place: New Delhi

Date: 06 May 2022

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

1 Corporate information

HIL Limited (the "Company") is a Company domiciled in India, with its registered office situated at SLN Terminus, Gachibowli, Hyderabad -500032, Telangana. The Company has been incorporated under the provisions of Companies Act, 2013 and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited in India.

The Company operations are broadly classified into Roofing Solutions, Building Solutions, Polymer Solutions and Others.

Roofing Solutions consists of manufacturing, selling and distribution of Fiber Cement Sheets, Colored Steel Sheets and Cement based Non-Asbestos Corrugated Sheets with manufacturing facilities located at Faridabad, Jasidih, Kondapalli, Wada, Sathariya and Balasore.

Building Solution broadly classifies into Wet-Walling Solutions, Dry-Walling Solutions and Thermal Insulation, which includes manufacturing and distribution of Fly Ash Blocks, Smart Fix, Smart Plaster, Smart Bond, Panels, Tile Adhesive and Boards with manufacturing facilities located at Hyderabad, Thimmapur, Faridabad, Chennai, Golan, Jhajjar and Dharuhera. Thermal Insulation business operated under the brand "HYSIL" has been sold under a slump sale arrangement during the year ended 31 March 2021 (refer note 33).

Polymer Solutions consists of UpVC, CpVC, SWR Pipes & Fittings and Wall Putty with manufacturing facilities located at Faridabad, Thimmapur, Golan and Jhajjar.

Others includes Material Handling and Processing Plant and Equipment with manufacturing facilities at Hyderabad, and revenue generated through Wind Turbine Generators situated in Gujarat, Tamil Nadu and Rajasthan.

2 Basis of preparation

A. Statement of compliance

a) Standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provision of the Act under the historical cost convention on an accrual basis and going concern except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) The standalone financial statements were authorised for issue by the Company's Board of Directors on 06 May 2022.

c) Details of the Company's accounting policies are included in note 3.

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lacs except share data or as otherwise stated.

C. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
- Certain financial assets and liabilities (including derivative instruments)	Fair value
- Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
- Leases	Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. Right-to-use asset has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Practical expedient on transition to exclude initial direct costs from ROU asset measurement is considered.
- Disposal groups	The assets classified as held for sale have been measured at lower of carrying amounts and fair value less costs to sell.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

D. Use of estimates and judgment

In preparing these standalone financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 47 – leases: whether an arrangement contains a lease;
- Note 47 – lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 11 – impairment test of non-financial assets;
- Note 11 – determining the fair value less costs to sell off the non-current assets held for sale on the basis of significant observable inputs;
- Note 21 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 33 – determining the fair value less costs to sell of the disposal group on the basis of significant observable inputs;
- Note 36 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 55 – impairment of financial assets.

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 – investment property;
- Note 11 – non-current assets held for sale;
- Note 43 – share based payment arrangements;
- Note 33 – disposal group- assets held for sale;
- Note 55 – financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these standalone financial statements unless otherwise indicated.

a. Foreign currency transactions

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

- foreign currency monetary items are translated in the functional currency at the exchange rate at the reporting date.
- non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.
- non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.
- exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the items which are recognised in other comprehensive income (OCI).

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

b. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition.

ii. *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses

Items	Measurement basis
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Contract liabilities against payment have been considered as other financial liabilities

iii. *Derecognition*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. *Derivative financial instruments*

The Company holds derivative financial instruments to hedge its foreign currency. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised immediately in the profit or loss and are included in other income or expenses.

c. Property, plant and equipment and capital work-in-progress

i. *Recognition and measurement*

Property, plant and equipment

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. *Depreciation*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortised over the period of the lease.

The estimated useful lives of items of property, plant and equipment are estimated by the management, which are equal to the life prescribed under the Schedule II of the Act, except for following assets mentioned below which are based on technical evaluation and past experience:

Plant and machinery: 19 years for continuous processing plants (CPP) as against 15 years

Certain moulds and dies: 6 to 9 years as against 8 years

Wind power generation plant: 25 years as against 22 years

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Depreciation on Company's proportionate share in Fly Ash Handling System (capital expenditure not represented by asset owned by the Company but installed at vendor's location) is provided over its useful life of five years on straight line basis.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

d. Intangible assets

i. *Recognition*

Service concession arrangements

The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Others

Other intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. *Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in profit or loss.

The estimated useful lives are as follows:

Asset	Years
- Service concession arrangement	25
- Computer software	5

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Company is able to charge the public for the use of the infrastructure to the end of the concession period.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on investment property other than perpetual leasehold land is calculated on a straight-line basis based on the useful life estimated by the management, which is equal to life prescribed in Schedule II of the Act.

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

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

g. Impairment

i. *Impairment of financial instruments*

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. *Impairment of non-financial assets*

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

h. Employee benefits

i. *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. *Share-based payment transactions*

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in 'Share options outstanding account' reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii. *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Company providing retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions payable to the provident fund and superannuation fund are recognised as expenses, when an employee renders the related services. The Company has no obligation, other than the contribution payable to the funds.

iv. *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees including contract workers on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect

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of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. *Compensated absences*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of actuarial valuation using the projected unit credit method.

vi. *Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

i. Revenue

Revenue from contract with customers

The Company generates revenue from sale of goods or services and other operating revenues. Revenue is recognised when a customer obtains control of the goods or services. The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application being included in retained earnings.

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by the nature of sale i.e. manufactured and traded goods, solutions i.e. roofing solutions, building solutions, polymer solutions and others and geographic market. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

Contract balances

The Company classifies the right to consideration in exchange for sale of goods as trade receivables, advance consideration as contract liability against payment and unredeemable customer loyalty points as contract liability against performance obligation.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies.

a. Sale of products

(i) Nature and timing of satisfaction of performance obligations, including significant payment terms: The timing of transfer of control is driven by the individual terms of contracts. Invoices are usually payable within agreed credit terms. For customer loyalty programme refer note (b) below.

(ii) Revenue is recognised when a customer obtains control of the goods which is driven by the individual terms of contracts. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

b. Customer loyalty programmes

(i) Nature and timing of satisfaction of performance obligations including significant payment terms: Customers who purchases products may enter

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into Company's customer loyalty programme and earn credits. These credits are redeemed against the awards as per the terms of the programme.

(ii) The Company allocates a portion of the consideration received to loyalty credits. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liability against performance obligation.

c. Sale of services

Revenue from sale of services is recognised when it is measurable and it is probable that future economic benefits will flow to the entity in accordance with tariff provided in power purchase agreement.

d. Rental income

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

j. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis.

l. Leases

i. Leases as lessee

As a lessee, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. The Company decided to apply recognition exemptions to short-term leases.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments included in the measurement of the lease liability comprise:

a. Fixed payments including in-substance fixed payments

b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

c. Amounts expected to be payable under a residual value guarantee

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

The Company presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'Financial liabilities' in the Balance sheet.

ii. *Leases as lessor*

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

m. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

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for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

n. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the standalone financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

p. Earnings per share ("EPS")

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

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q. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

r. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

s. Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

t. Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

u. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

v. Discontinued operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Company and which represents a separate major line of business or geographical area of operations and is part of a single co-ordinated plan to dispose off a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation has discontinued from the start of the comparative period.

The disposal group, assets and liabilities classified as held for sale have been measured at lower of carrying amounts and fair value less costs to sell.

w. Recent pronouncements

There are no new accounting pronouncements that are applicable from 01 April 2022.

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4. Property, plant and equipment

Particulars	Freehold land (refer note (a) below)	Leasehold land	Buildings	Railway sidings	Plant and machinery (refer note (b) below)	Furniture and fittings	Office equipments	Vehicles	Right of use assets (refer note (e) below)	Total	Capital work-in-progress (refer note (f) below)
A. Cost or Deemed cost (Gross carrying amount)											
As at 01 April 2020	2471.64	75.43	15563.38	0.63	45637.30	694.41	509.84	198.24	1863.38	67014.25	2742.90
Additions	-	-	1508.02	-	5798.75	57.07	91.77	4.75	5.53	7465.89	5319.30
Deletions	-	-	(0.16)	-	(109.07)	(15.06)	(12.04)	(0.41)	(247.44)	(384.18)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(7460.36)
Reclassification from / (to) assets held for sale as part of disposal group	-	-	4.99	-	(9.96)	0.02	(0.73)	0.93	7.04	2.29	-
As at 31 March 2021	**2471.64**	**75.43**	**17076.23**	**0.63**	**51317.02**	**736.44**	**588.84**	**203.51**	**1628.51**	**74098.25**	**601.84**
Additions	-	-	704.96	-	2816.04	45.05	40.11	32.49	1102.91	4741.56	4986.62
Deletions	-	-	(67.33)	-	(357.22)	(2.29)	(18.13)	(3.36)	(277.33)	(725.66)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(3638.65)
As at 31 March 2022	**2471.64**	**75.43**	**17713.86**	**0.63**	**53775.84**	**779.20**	**610.82**	**232.64**	**2454.09**	**78114.15**	**1949.81**
B. Accumulated depreciation											
As at 01 April 2020	-	75.43	2150.26	0.51	11398.14	231.63	250.19	74.95	276.35	14457.46	-
For the year ended 31 March 2021	-	-	623.68	-	3638.97	76.54	77.36	21.00	220.37	4657.92	-
Deletions	-	-	(0.05)	-	(85.96)	(8.74)	(10.32)	(0.28)	(91.33)	(196.68)	-
Reclassification from / (to) assets held for sale as part of disposal group	-	-	4.10	-	(7.30)	0.02	(0.07)	0.93	1.80	(0.52)	-
As at 31 March 2021	**-**	**75.43**	**2777.99**	**0.51**	**14943.85**	**299.45**	**317.16**	**96.60**	**407.19**	**18918.18**	**-**
For the year ended 31 March 2022	-	-	696.24	-	3988.22	81.55	85.35	23.14	204.36	5078.86	-
Deletions	-	-	(37.46)	-	(220.71)	(1.87)	(17.16)	(2.91)	(277.33)	(557.44)	-
As at 31 March 2022	**-**	**75.43**	**3436.77**	**0.51**	**18711.36**	**379.13**	**385.35**	**116.83**	**334.22**	**23439.60**	**-**
C. Net carrying amounts (A-B)											
As at 31 March 2021	**2471.64**	**-**	**14298.24**	**0.12**	**36373.17**	**436.99**	**271.68**	**106.91**	**1221.32**	**55180.07**	**601.84**
As at 31 March 2022	**2471.64**	**-**	**14277.09**	**0.12**	**35064.48**	**400.07**	**225.47**	**115.81**	**2119.87**	**54674.55**	**1949.81**

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for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

4. Property, plant and equipment (Contd..)

Note:

a) Title deeds not held in the name of the Company:

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or their employee	Property held since which date	Reason for not being held in the name of the Company
Freehold Land as at 31 March 2022 and as at 31 March 2021	1.27	Faridabad Complex Administration (now known as Municipal Corporation of Faridabad)	No	1964	Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad.

b) Refer note 49 for details of assets held for Research and Development.

c) Refer note 17 for details of assets pledged against borrowings.

d) The Company has not revalued any property, plant and equipment after initial recognition, during the current and previous financial year.

e) Right of use assets comprise of the following assets:

Particulars	Buildings	Land	Vehicles	Total
A. Cost or Deemed cost (Gross carrying amount)				
As at 01 April 2020	555.91	1090.57	216.90	1863.38
Additions	-	5.53	-	5.53
Deletions	(158.22)	-	(89.22)	(247.44)
Reclassification from assets held for sale as part of disposal group	-	-	7.04	7.04
As at 31 March 2021	**397.69**	**1096.10**	**134.72**	**1628.51**
Additions	300.83	802.08	-	1102.91
Deletions	(146.10)	(92.19)	(39.04)	(277.33)
As at 31 March 2022	**552.42**	**1805.99**	**95.68**	**2454.09**
B. Accumulated depreciation				
As at 01 April 2020	149.76	50.55	76.04	276.35
For the year ended 31 March 2021	121.21	49.31	49.85	220.37
Deletions	(48.89)	-	(42.44)	(91.33)
Reclassification from assets held for sale as part of disposal group	-	-	1.80	1.80
As at 31 March 2021	**222.08**	**99.86**	**85.25**	**407.19**
For the year ended 31 March 2022	118.01	54.33	32.02	204.36
Deletions	(146.10)	(92.19)	(39.04)	(277.33)
As at 31 March 2022	**193.99**	**62.00**	**78.23**	**334.22**
C. Net carrying amounts (A-B)				
As at 31 March 2021	**175.61**	**996.24**	**49.47**	**1221.32**
As at 31 March 2022	**358.43**	**1743.99**	**17.45**	**2119.87**

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for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

4. Property, plant and equipment (Contd..)

Note: (Contd..)

f) Ageing details of capital work-in-progress (CWIP) is as below*

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1922.54	9.00	18.27	-	1949.81
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022	**1922.54**	**9.00**	**18.27**	**-**	**1949.81**
Projects in progress	548.17	53.22	0.45	-	601.84
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021	**548.17**	**53.22**	**0.45**	**-**	**601.84**

*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

Projects in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Wall Putty plant capacity enhancement	45.42	-	-	-	45.42
Others	29.67	-	-	-	29.67
As at 31 March 2022	**75.09**	**-**	**-**	**-**	**75.09**
Wall Putty plant capacity enhancement	102.41	-	-	-	102.41
Pipes and fittings plant capacity enhancement	13.31	-	-	-	13.31
Others	36.70	-	-	-	36.70
As at 31 March 2021	**152.42**	**-**	**-**	**-**	**152.42**

5. Investment property

Particulars	As at 31 March 2022	As at 31 March 2021
A. Reconciliation of carrying amount		
Cost or Deemed cost (Gross carrying amount)		
Opening balance	2212.00	2212.00
Deletions	(7.11)	-
Closing balance	**2204.89**	**2212.00**
Accumulated depreciation		
Opening balance	202.43	172.06
Depreciation for the year	30.37	30.37
Closing balance	**232.80**	**202.43**
Net carrying amounts	**1972.09**	**2009.57**
Fair value	**7639.97**	**7757.89**

Information regarding income and expenditure of investment property:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rental income derived from investment properties	483.61	545.55
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	483.61	545.55
Less: Depreciation	30.37	30.37
Profit arising from investment properties before indirect expenses	453.24	515.18

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for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

5. Investment property (Contd..)

B. Measurement of fair values

(i) Fair valuation hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuer is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used (see note 2(E)).

(ii) Valuation technique

The Company follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants, if any. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

C. Investment property comprises of the following:

(i) The Company along with other co-owners, has developed a plot of land at 25 Barakhamba Road, New Delhi, where the Company's share is 15%. The registration of the said plot of the value of INR 427.60 lacs (31 March 2021: INR 427.60 lacs) in the name of the Company is pending. Refer details below:

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or their employee	Property held since which date	Reason for not being held in the name of the Company
Land and building as at 31 March 2022 and 31 March 2021	427.60	The Embassy of Union of Soviet Socialist Republics	No	1989	The process for transfer of property in the name of the Company is in progress.

(ii) The Company has given the investment properties located in New Delhi and Hyderabad on operating lease to some parties. Certain lease agreements are cancellable and some are non-cancellable in nature. There are no contingent rents in the lease agreements. The lease terms are mainly for 3 years and are renewable at the option of the lessee. There are no restrictions imposed by lease agreements. Although there are sub-lease rights given to the lessees, there are no sub-leases as on the reporting date.

D. Refer note 47 for details of minimum lease payments.

6. Other intangible assets

Particulars	Softwares	Service concession arrangements	Total	Intangible assets under development (refer note (a) below)
Reconciliation of carrying amount				
Cost or Deemed cost (Gross carrying amount)				
Balance at 01 April 2020	941.08	1997.94	2939.02	-
Additions	189.57	-	189.57	364.12
Deletions	(1.17)	-	(1.17)	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

6. Other intangible assets (Contd..)

Particulars	Softwares	Service concession arrangements	Total	Intangible assets under development (refer note (a) below)
Transfers to Intangible assets	-	-	-	(189.57)
Balance at 31 March 2021	**1129.48**	**1997.94**	**3127.42**	**174.55**
Additions	440.14	-	440.14	517.32
Deletions	(84.26)	-	(84.26)	-
Transfers to Intangible assets	-	-	-	(440.14)
Balance at 31 March 2022	**1485.36**	**1997.94**	**3483.30**	**251.73**
Accumulated amortisation				
Balance at 01 April 2020	554.10	376.59	930.69	-
Amortisation for the year	142.00	87.64	229.64	-
Deletions	(1.17)	-	(1.17)	-
Balance at 31 March 2021	**694.93**	**464.23**	**1159.16**	**-**
Amortisation for the year	184.43	87.64	272.07	-
Deletions	(82.91)	-	(82.91)	-
Balance at 31 March 2022	**796.45**	**551.87**	**1348.32**	**-**
Net carrying amounts				
As at 31 March 2021	**434.55**	**1533.71**	**1968.26**	**174.55**
As at 31 March 2022	**688.91**	**1446.07**	**2134.98**	**251.73**

Notes:

(a) Ageing details of intangible assets under development is as below*

Particulars	For intangible assets under development				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	201.94	49.79	-	-	251.73
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022	**201.94**	**49.79**	**-**	**-**	**251.73**
Projects in progress	169.81	1.22	3.51	-	174.55
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021	**169.81**	**1.22**	**3.51**	**-**	**174.55**

*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Planning and budgeting tool	84.73	-	-	-	84.73
Others	30.98	-	-	-	30.98
As at 31 March 2022	**115.71**	**-**	**-**	**-**	**115.71**
Lead management tool	29.49	-	-	-	29.49
Connected shop floor (IoT 4.0)	54.87	-	-	-	54.87
Robotic process automation (RPA)	14.97	-	-	-	14.97
Accounts payable process workflow	10.00	-	-	-	10.00
As at 31 March 2021	**109.33**	**-**	**-**	**-**	**109.33**

(b) The Company has not revalued any intangible assets after initial recognition, during the current and previous financial year.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

7. Investments

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Interest in subsidiary		
Investment in equity instruments - unquoted - at cost less provision for other than temporary impairment		
HIL International GmbH, Germany : 34025000 equity shares of Euro 1 each fully paid (31 March 2021 : 34025000 equity shares of Euro 1 each fully paid)	27346.24	27346.24
	27346.24	**27346.24**
Refer note 46(a) for details of subsidiary.		
Interest in joint venture		
Investment in equity instruments - unquoted - at cost less provision for other than temporary impairment		
Supercor Industries Limited, Nigeria: 4125000 equity shares of Naira 1 each fully paid (31 March 2021 : 4125000 equity shares of Naira 1 each fully paid)	142.60	142.60
Less: Provision for investment in joint venture	(142.60)	(142.60)
	-	**-**
Refer note 46(b) for details of joint venture.		
Investment in equity instruments - unquoted at FVOCI (refer note (a) below)		
Birla Buildings Limited - 5000 equity shares of INR 10 each fully paid (31 March 2021 : 5000 equity shares of INR 10 each fully paid)	34.24	31.65
	34.24	**31.65**
	27380.48	**27377.89**
Aggregate amount of unquoted non-current investments	27523.08	27520.49
Aggregate amount of provision for impairment in value of non-current investments	142.60	142.60
Current		
Investments in mutual funds - quoted at FVTPL	-	3002.72
	-	**3002.72**
Aggregate book value of quoted current investments	-	3002.72
Aggregate market value of quoted current investments	-	3002.72

(a) Equity shares designated as at fair value through other comprehensive income

The Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Company intends to hold long-term for strategic purposes.

Particulars	Investment in Birla Buildings Limited	
	As at 31 March 2022	As at 31 March 2021
Fair value at beginning of the year	31.65	55.80
Dividend income recognised during the respective year	0.25	0.25
Fair value at end of the year	34.24	31.65

No strategic investments were disposed off during the financial years 2021-22 and 2020-21, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

The Company has not traded or invested in Crypto currency or Virtual currency during the year.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

8. Trade receivables

	As at 31 March 2022	As at 31 March 2021
Non-current		
Secured	-	4.36
Unsecured	436.39	504.98
	436.39	**509.34**
Less: Provision for impairment	(436.39)	(504.98)
	-	**4.36**
Current		
Secured	1219.30	1311.37
Unsecured (refer note 40 for receivables from related parties)	8154.01	7590.07
	9373.31	**8901.44**
Less: Provision for impairment	(550.86)	(984.14)
	8822.45	**7917.30**

Refer note 17 for details of trade receivables pledged against borrowings.

As at 31 March 2022, outstanding for the following periods from due date of payment

Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
– considered good	3430.11	5327.07	2.44	61.77	1.01	0.05	8822.45
– credit impaired	-	84.13	54.77	84.61	230.80	96.55	550.86
Total undisputed trade receivables (A)	**3430.11**	**5411.20**	**57.21**	**146.38**	**231.81**	**96.60**	**9373.31**
Disputed trade receivables							
– considered good	-	-	-	-	-	-	-
– credit impaired	-	-	0.02	93.85	32.54	309.98	436.39
Total disputed trade receivables (B)	**-**	**-**	**0.02**	**93.85**	**32.54**	**309.98**	**436.39**
As at 31 March 2022 (A+B)	**3430.11**	**5411.20**	**57.23**	**240.23**	**264.35**	**406.58**	**9809.70**

As at 31 March 2021, outstanding for the following periods from due date of payment

Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
– considered good	3033.04	4753.02	120.68	6.47	-	4.09	7917.30
– credit impaired	-	13.54	129.48	326.94	143.78	370.40	984.14
Total undisputed trade receivables (A)	**3033.04**	**4766.56**	**250.16**	**333.41**	**143.78**	**374.49**	**8901.44**
Disputed trade receivables							
– considered good	-	-	-	-	-	4.36	4.36
– credit impaired	-	-	-	18.97	28.56	457.45	504.98
Total disputed trade receivables (B)	**-**	**-**	**-**	**18.97**	**28.56**	**461.81**	**509.34**
As at 31 March 2021 (A+B)	**3033.04**	**4766.56**	**250.16**	**352.38**	**172.34**	**836.30**	**9410.78**

There were no unbilled receivables as at 31 March 2022 and as at 31 March 2021.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

9. Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Loan to subsidiary		
Unsecured, considered good (refer note 51)	7994.60	8144.24
	7994.60	**8144.24**

10. Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good		
Security deposits	1168.52	1066.38
Bank deposits due to mature after 12 months from the reporting date*	6.79	54.87
Derivative assets	1545.34	870.17
	2720.65	**1991.42**
Doubtful		
Security deposits	25.00	25.00
Other receivables	644.68	644.68
	669.68	**669.68**
Less: Provision for doubtful other financial assets	(669.68)	(669.68)
	-	-
	2720.65	**1991.42**

* It includes bank deposits held against bank guarantees amounting to INR 6.79 lacs (31 March 2021: INR 54.87 lacs).

Current		
Unsecured, considered good		
Interest accrued on fixed deposits and security deposits	102.09	101.34
Interest accrued on loan to subsidiary	480.11	180.38
Derivative assets	12.26	12.28
Contract assets	23.53	17.38
Other receivables	10.67	3.51
	628.66	**314.89**
Doubtful		
Dividend receivable	9.01	9.01
Less: Allowance for doubtful receivable (refer note 40)	(9.01)	(9.01)
	-	-
	628.66	**314.89**

11. Other assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good		
Capital advances	269.32	137.15
Advances other than capital advances		
Balance with government authorities	585.73	649.51
Prepayments	42.15	14.81
	897.20	**801.47**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

11. Other assets (Contd..)

Particulars	As at 31 March 2022	As at 31 March 2021
Doubtful		
Advances other than capital advances		
Advance to suppliers and service providers	160.55	164.83
	160.55	**164.83**
Less: Allowance for doubtful advances	(160.55)	(164.83)
	-	**-**
	897.20	**801.47**
Current		
Advances other than capital advances		
Advance to suppliers and service providers	3247.36	2542.35
Advance to employees	106.29	82.65
Balance with government authorities	1894.04	2710.92
Prepayments	441.74	386.86
Others		
Non-current assets held for sale*	17.82	23.66
	5707.25	**5746.44**

* Management intended to sell plant and machinery of one of the manufacturing facilities within the Roofing Solution segment in earlier year. Although efforts to sell are in progress, management is also exploring the alternate use of these items in some of its other plants and basis the outcome of this exercise, final disposal plan will be initiated. One of the non-factory buildings under this category was disposed off during the year. For the other non-factory buildings, efforts to sell the asset have started and sale is expected by next financial year.

12. Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
(Valued at lower of cost and net realisable value)		
Raw materials	15452.65	7417.04
Work-in-progress	360.66	207.02
Finished goods	15480.58	11053.78
Stock-in-trade	388.28	360.06
Stores and spares	1311.78	967.87
	32993.95	**20005.77**
Inventories in transit		
Raw materials	1167.19	1260.29
Finished goods	40.90	31.67
Stock-in-trade	-	21.61
Stores and spares	15.55	-
	1223.64	**1313.57**
	34217.59	**21319.34**

The write down of inventories to net realisable value during the year amounted to INR 378.94 lacs (31 March 2021: INR 358.69 lacs). The write down are included in changes in inventories of finished goods.

13. Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	1.39	1.98
Balances with banks		
- in current accounts	1434.28	1162.21
	1435.67	**1164.19**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

14. Other bank balances

Particulars	As at 31 March 2022	As at 31 March 2021
Unpaid dividend accounts	81.26	79.12
Deposits with remaining maturity of less than 12 months*	1048.29	244.16
	1129.55	**323.28**

* It includes bank deposits held against bank guarantees amounting to INR 45.47 lacs (31 March 2021: INR 93.15 lacs).

15. Share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
9500000 (31 March 2021: 9500000) equity shares of INR 10 each	950.00	950.00
50000 (31 March 2021: 50000) preference shares of INR 100 each	50.00	50.00
	1000.00	**1000.00**
Issued, subscribed and fully paid-up capital		
7513903 (31 March 2021: 7492543) equity shares of INR 10 each fully paid-up	751.39	749.25
Forfeited shares (amount originally paid-up)	2.72	2.72
	754.11	**751.97**

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

Equity shares	31 March 2022		31 March 2021	
	Number of shares	Amount INR In Lacs	Number of shares	Amount INR In Lacs
Shares outstanding at the beginning of the year	7492543	749.25	7478303	747.83
Shares issued on exercise of Employee Stock Option Scheme (refer note 43)	21360	2.14	14240	1.42
Shares outstanding at the end of the year	**7513903**	**751.39**	**7492543**	**749.25**

(ii) Terms and rights attached to the equity shares

The Company has only one class of equity shares having a face value of INR 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Particulars of shareholders holding more than 5% of total number of equity shares

Equity shares of INR 10 each, fully paid-up	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of Holding	Number of shares	% of Holding
Central India Industries Limited	1074634	14.30	1074634	14.34
Orient Paper and Industries Limited	906360	12.06	906360	12.10

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

(iv) Shares reserved for issue under Option

For details of shares reserved for issue under Employee Stock Option Schemes of the Company, refer note 43.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

15. Share capital (Contd..)

(v) Equity shares held by promoters at the end of the period

S. No.	Name of the promoter	31 March 2022			31 March 2021		
		Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1	Mr. Chandra Kant Birla	51376	0.68%	-	51376	0.69%	-
2	Amer Investments (Delhi) Limited	308763	4.11%	-	308763	4.12%	-
3	Hitaishi Investments Limited	67066	0.89%	-	67066	0.90%	-
3	Hyderabad Agencies Pvt Limited	4100	0.05%	-	4100	0.05%	-
5	Orient Paper and Industries Limited	906360	12.06%	-	906360	12.10%	-
6	Universal Trading Company Limited	4000	0.05%	-	4000	0.05%	-
7	Central India Industries Limited	1074634	14.30%	-	1074634	14.34%	-
8	Gwalior Finance Corporation Limited	96200	1.28%	-	96200	1.28%	-
9	Ranchi Enterprises and Properties Limited	4500	0.06%	-	4500	0.06%	-
10	Ashok Investment Corporation Limited	317743	4.23%	-	317743	4.24%	-
11	Shekhavati Investments and Traders Limited	224470	2.99%	-	224470	3.00%	-
		3059212	**40.70%**	**-**	**3059212**	**40.83%**	**-**

16. Other equity

(A) Reserves and surplus

(i) Securities premium

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	941.86	774.76
Add: Additions during the year	250.64	167.10
	1192.50	**941.86**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	42100.00	41100.00
Add: Amount transferred from surplus balance in the standalone statement of profit and loss	1000.00	1000.00
	43100.00	**42100.00**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(iii) Capital redemption reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	35.00	35.00
Add: Additions during the year	-	-
	35.00	**35.00**

Capital redemption reserve was created for redemption of preference shares and the balance represents the unutilised amount after complete redemption of the same.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

16. Other equity (Contd..)

(A) Reserves and surplus (Contd..)

(iv) Share options outstanding account

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	279.87	210.93
Less: Shares exercised during the period	(120.35)	(80.23)
Add: Share based payment expenses (refer note 28)	71.43	149.17
	230.95	**279.87**

The Company has formulated equity-settled share-based payment plans for certain categories of employees of the Company. Refer note 43 for further details on these plans.

(v) Retained earnings

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	43519.46	27589.82
Add: Profit for the year	18582.82	18774.76
Items of other comprehensive income directly recognised in retained earnings		
- Remeasurement of post employment benefit obligations, net of tax	(41.16)	26.59
Amount available for appropriations	**62061.12**	**46391.17**
Less : Appropriations		
Interim dividend on equity shares (amount per share INR 20.00 (31 March 2021: INR 15.00))	(1502.78)	(1123.88)
Transferred to general reserve	(1000.00)	(1000.00)
Final dividend on equity shares (amount per share INR 25.00 (31 March 2021: INR 10.00))	(1873.14)	(747.83)
Total appropriations	**(4375.92)**	**(2871.71)**
	57685.20	**43519.46**
Total reserves and surplus (A)	**102243.65**	**86876.19**

(B) Other comprehensive income ("OCI")

Particulars	As at 31 March 2022	As at 31 March 2021
Equity investments through OCI		
Balance at the commencement of the year	23.29	41.91
Changes in fair value	2.00	(18.62)
	25.29	**23.29**
Total (A+B)	**102268.94**	**86899.48**

Dividends

Particulars	As at 31 March 2022	As at 31 March 2021
Dividend on equity shares (amount per equity share INR 45.00 (31 March 2021: INR 25.00)	**3381.26**	**1873.14**

Dividends paid during the year ended 31 March 2022 include an amount of INR 25.00 per equity share towards final dividend for the year ended 31 March 2021 and an amount of INR 20.00 per equity share towards interim dividends for the year ended 31 March 2022. Dividends paid during the year ended 31 March 2021 include an amount of INR 10.00 per equity share towards final dividend for the year ended 31 March 2020 and an amount of INR 15.00 per equity share towards interim dividends for the year ended 31 March 2021.

The Board of Directors of the Company have recommended a final dividend of INR 25.00 per share (250%) on 06 May 2022 for the financial year ended 31 March 2022. The Board also declared an additional final dividend of INR 20.00 (200%) per share to commemorate the celebration of Platinum Jubilee on completion of 75 years of incorporation. This, together with an interim dividend of INR 20.00 per share (200%) declared in the previous quarter, the total dividend for the financial year ended 31 March 2022 works out to INR 65.00 per share (650%) on Equity Shares of INR 10/- each. Final dividend and additional final dividend are subject to approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately INR 3381.26 Lacs.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

17. Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current borrowings		
Secured		
Term loan from banks (refer note (a) below)	-	2925.00
Term loan from others		
- Interest free sales tax loan from a financial institution (refer note (b) below)	1092.45	3889.41
Unsecured		
Deferred payment liabilities		
- Deferred sales tax loan (refer note (c) below)	4.98	137.24
	1097.43	**6951.65**
Current borrowings		
Unsecured		
Loans repayable on demand		
From banks		
- Working capital loan (refer note (d) below)	2503.19	5500.00
Deferred payment liabilities		
- Current maturities of deferred sales tax loan	132.26	88.07
Secured		
Term loan from banks		
- Current maturities	-	900.00
Term loan from others		
- Current maturities of interest free sales tax loan from a financial institution	2884.82	1107.53
	5520.27	**7595.60**
	6617.70	**14547.25**

(a) During the previous year, the Company availed a term loan of INR 4500.00 lacs from Hongkong and Shanghai Banking Corporation Limited secured by way of exclusive charge on moveable assets identified. The outstanding of INR 3825.00 lacs was completely repaid during the year. The said loan carried an interest rate in the range of 6.00% p.a. during the year (31 March 2021: 6:00% p.a to 8.25% p.a.). Satisfaction of charges in respect of this loan has been filed with Registrar of Companies.

(b) Represents interest free sales tax loan taken from a financial institution, is repayable after 7 years from the date of its respective disbursement. The last instalment is falling due in August 2024. As per the agreement, these loans are secured by way of first charge on its entire assets of Sathariya unit, first charge on plant and machinery of its Balasore unit and collateral security of Corporate office building of the Company located at Gachibowli, Hyderabad.

(c) Deferred sales tax loan was sanctioned towards the sales tax dues relating to Thimmapur unit. The loan is interest free and repayable on yearly basis having last instalment due in financial year 2023-24.

(d) The Company availed a working capital loan of INR 4500 lacs from The Federal Bank Limited. The loan is repayable on demand and carried an interest rate as linked to Repo Rate + spread which has been in the range of 4.00% p.a. to 4.25% p.a during the year (31 March 2021: 4.00% p.a. to 9.00% p.a.).

(e) The Company has not availed any specific borrowings during the year.

(f) In respect of the following borrowings, the Company is in the process of collecting no due certificate from the respective parties and the same is expected to get closed in the next financial year. The charges on these loans are open with Registrar of Companies (ROC) Hyderabad.

1. Indian Oil Corporation Limited amounting to INR 4 lacs.
2. Trustees of Birla Brothers Private Limited amounting to INR 1.33 lacs.
3. The Housing Development Finance Corporation Limited amounting to INR 400 lacs.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

18. Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Lease liabilities (refer note 54)	533.37	270.16
	533.37	**270.16**
Current		
Lease liabilities (refer note 54)	158.66	112.89
	158.66	**112.89**

19. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 41)	1537.12	980.30
Total outstanding dues of creditors other than micro enterprises and small enterprises (MSME) (refer note 40 for payables to related parties)	18708.95	16224.78
	20246.07	**17205.08**

Ageing from due date of payment :

Particulars	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1365.50	157.11	5.16	-	-	1527.77
(ii) Others	3895.78	9823.23	4678.43	96.92	20.45	188.38	18703.19
(iii) Disputed dues - MSME	-	-	-	9.35	-	-	9.35
(iv) Disputed dues - Others	-	-	-	-	-	5.76	5.76
As at 31 March 2022	**3895.78**	**11188.73**	**4835.54**	**111.43**	**20.45**	**194.14**	**20246.07**
(i) MSME	-	812.29	155.20	2.70	0.76	-	970.95
(ii) Others	4253.50	7550.19	4113.75	61.05	46.77	193.76	16219.02
(iii) Disputed dues - MSME	-	-	9.35	-	-	-	9.35
(iv) Disputed dues - Others	-	-	-	-	-	5.76	5.76
As at 31 March 2021	**4253.50**	**8362.48**	**4278.30**	**63.75**	**47.53**	**199.52**	**17205.08**

20. Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Interest accrued but not due on borrowings	-	4.57
Capital creditors	645.12	359.18
Unpaid dividend*	81.26	79.12
Sundry deposits	4335.68	4304.67
Derivative liabilities	32.67	29.10
Contract liability against performance obligation	1393.10	1492.39
Contract liability against payment	4546.17	2795.92
Other financial liabilities	1926.91	1567.71
	12960.91	**10632.66**

* Amount lying in unpaid / unclaimed dividend account shall be credited to Investor Education and Protection Fund as per the timelines prescribed under the Companies Act, 2013 with due approvals.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

21. Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for employee benefits		
- Gratuity (refer note 36)	324.25	149.72
- Other long-term employee benefit plans	529.07	655.14
- Compensated absences	687.24	682.65
	1540.56	**1487.51**
Current		
Provision for employee benefits		
- Compensated absences	128.35	59.46
- Other long-term employee benefit plans	711.28	-
- Employee related other costs (refer note 42)	96.50	54.68
Other provisions		
- Provision for litigations (refer note 42)	307.25	348.58
- Provision- others (refer note 42)	390.00	410.01
	1633.38	**872.73**

22. Other liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Government grant	112.73	197.27
	112.73	**197.27**
Current		
Statutory liabilities	1114.45	1003.77
Government grant	84.55	84.55
Other liabilities	1727.22	2050.70
	2926.22	**3139.02**

23. Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products		
Finished goods	190535.17	149445.85
Traded goods	5637.91	6723.71
Sale of services		
Service concession arrangements	216.40	171.06
Other operating revenues		
Scrap sales	573.14	220.35
Liabilities no longer required, written back	385.83	27.87
	197348.45	**156588.84**
Refer note 35 for segment wise details.		
Reconciliation of revenue from sale of products with the contract prices		
Contracted price	201377.31	161484.71
Less: Discounts	5204.23	5315.15
	196173.08	**156169.56**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

24. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend income on equity securities - at FVOCI- investment held at reporting date (refer note 7)	0.25	0.25
Gain on sale of current investments, net	34.16	8.39
Interest income under the effective interest method on financial assets	152.59	191.87
Interest income from loan to subsidiary	655.50	851.37
Interest on income-tax refund	-	133.35
Rental income		
From investment property	483.61	545.55
From others	11.46	13.48
Net gain on sale of property, plant and equipment	730.66	-
Net gain on foreign currency transactions	147.14	681.87
Fair value gain on financial assets measured at fair value through profit and loss, net	671.58	2.87
Government grants	84.55	84.55
Miscellaneous income	225.13	93.17
	3196.63	**2606.72**

25. Cost of raw materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory of materials at the beginning of the year	8677.33	15550.36
Add: Purchases during the year	115115.79	71491.12
Less: Inventory of materials at the end of the year	16619.84	8677.33
	107173.28	**78364.15**

26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchases of stock-in-trade	**4270.09**	**4616.13**

27. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the beginning of the year		
Finished goods	11085.45	10901.74
Stock-in-trade	381.67	522.08
Work-in-progress	207.02	438.06
	11674.14	**11861.88**
Inventories at the end of the year		
Finished goods	15521.48	11085.45
Stock-in-trade	388.28	381.67
Work-in-progress	360.66	207.02
	16270.42	**11674.14**
Changes in inventories	(4596.28)	187.74
Add: Stocks of finished goods out of trial run production	-	18.90
	(4596.28)	**206.64**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

28. Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	13193.02	11723.06
Contribution to provident and other funds (refer note 36)	672.43	617.03
Employee share based payment expense - equity settled (refer note 43)	71.43	149.17
Gratuity expenses (refer note 36)	243.90	223.40
Staff welfare expenses	792.58	588.74
	14973.36	**13301.40**

29. Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expenses on long-term loans measured at amortised cost	8.80	1050.83
Interest expenses on working capital loans measured at amortised cost	48.03	431.10
Interest expenses on other financial liabilities measured at amortised cost	87.86	80.97
Interest expenses on lease liabilities	53.39	44.74
Interest expenses on income-tax	13.74	-
Interest expenses on others	238.99	261.10
	450.81	**1868.74**

30. Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 4)	4874.50	4437.04
Amortisation of intangible assets (refer note 6)	272.07	229.64
Depreciation on investment property (refer note 5)	30.37	30.37
Depreciation on right of use assets (refer note 4)	204.36	219.92
	5381.30	**4916.97**

31. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	3988.66	2844.93
Power and fuel	7029.05	5120.56
Contract wages	5458.50	4246.55
Repairs and maintenance		
Plant and machinery (excluding stores and spares consumption)	888.28	668.22
Buildings	94.35	170.62
Others	1019.22	727.30
Carriage outwards	19285.13	14526.52
Packing expenses	775.82	588.43
Rent	302.18	220.97
Rates and taxes	328.96	369.31
Insurance	188.18	156.73
Professional, consultancy and legal expenses (refer note (i) below)	1903.88	1550.41
Advertisement and sales promotion	3250.95	2618.97
Travelling and conveyance	1141.41	736.44
Commission on sales	381.69	299.32
Directors' commission	120.00	120.00
Directors' fee	63.75	59.75
Donations	100.00	100.21

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

31. Other expenses (Contd..)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net loss on sale of property, plant and equipment	-	22.73
Provision for impairment of receivables, advances and other assets, net	(506.15)	(194.19)
Bad debt written off	577.74	149.95
Fair value loss on financial assets measured at fair value through profit and loss	-	158.83
Expenditure on corporate social responsibility (refer note 32)	291.15	308.49
Miscellaneous	1378.39	1189.12
	48061.14	**36760.17**

Note:

(i) Payment to auditors (included in professional, consultancy and legal expenses) (exclusive of taxes)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor		
Statutory audit fee	48.00	48.00
Tax audit fee	6.00	6.00
Limited review of quarterly results	27.00	27.00
Consolidation	12.00	12.00
For other services		
For certification and income-tax matters	16.70	17.00
For reimbursement of expenses	4.95	5.09
	114.65	**115.09**

32. Details of corporate social responsibility expenditure

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Gross amount required to be spent by the Company during the year	290.10	235.98
b) Amount spent during the year (in cash) :		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	291.15	308.49
iii) Nature of CSR activities		
Eradicating hunger, poverty and malnutrition	72.00	0.49
Promoting education	204.26	8.00
Promoting gender equality	2.00	-
Environmental initiatives	7.89	-
Contribution to PM CARES fund	-	300.00
Disaster management	5.00	-
c) Related party transactions	-	-
d) Shortfall at the end of the year	-	-
e) Movements in provision of liability created	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

33. Discontinued operations

Refer accounting policy in note 3(v)

During the previous year, the Board of Directors at their meeting held on 16 January 2020 approved the sale and transfer of the Company's calcium silicate insulation products division operated under the brand "HYSIL" to Calderys India Refractories Limited through a slump sale arrangement on a going concern basis, subject to completion of certain conditions precedent set out in the Business Transfer Agreement ("BTA"). Accordingly, the sale and transfer of business was completed on 10 July 2020 with a purchase consideration of INR 7764 lacs as per the terms of BTA.

This division was classified as discontinuing operations in the earlier year. The statement of profit and loss has been represented to show the discontinued operations separately from continuing operations.

A. Results of discontinued operations

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Total Income		-	449.44
Expenses		-	371.63
Results from operating activities		-	**77.81**
Income-tax	34	-	19.83
Results from operating activities, net of tax		-	**57.98**
Profit on sale of discontinued operations		-	6056.14
Income-tax on gain on sale of discontinued operations		-	1563.86
Profit from discontinued operations		-	**4550.26**

The profit from discontinued operations of INR 4550.26 lacs and the profit from continuing operations of INR 14224.50 lacs, in the previous year, is attributable entirely to the owners of the Company.

B. Cash flows from discontinued operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net cash from operating activities	-	110.98
Net cash from investing activities	-	7766.47
Net cash used in financing activities	-	-
Net cash flows for the year	-	**7877.45**

C. Effect of disposal on the financial position of the Company

Particulars	As at 31 March 2022	As at 31 March 2021
I ASSETS		
Non-current assets		
(a) Property, plant and equipment	-	1169.98
(b) Financial assets		
(i) Loans	-	6.00
Current assets		
(a) Inventories	-	200.51
(b) Financial assets		
(i) Trade receivables	-	276.36
(ii) Other financial assets	-	2.06
TOTAL ASSETS	-	**1654.91**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

33. Discontinued operations (Contd..)

C. Effect of disposal on the financial position of the Company (Contd..)

Particulars	As at 31 March 2022	As at 31 March 2021
II LIABILITIES		
Non-current liabilities		
(a) Provisions	-	(110.52)
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	(5.53)
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	(149.93)
(ii) Other financial liabilities	-	(13.96)
(b) Provisions	-	(21.34)
TOTAL LIABILITIES	-	**(301.28)**
III ASSETS NET OF LIABILITIES	-	**1353.63**
Consideration received, satisfied in cash	-	7763.64
Cash and cash equivalents disposed of	-	-
Expenses directly related to the sale of discontinued operations	-	(353.87)
IV NET CASH INFLOWS	-	**6056.14**

34. Income-tax

(A) Amount recognised in standalone statement of profit and loss - Continuing operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax	6377.97	4893.04
Income-tax for earlier years	579.39	52.53
Deferred tax attributable to temporary differences	(708.80)	(8.71)
Tax expenses	6248.56	**4936.86**

Amount recognised in standalone statement of profit and loss - Discontinued operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Tax expense	-	1583.69
Tax expense	-	**1583.69**

This has been included in determination of profit from discontinued operation net of tax (refer note 33).

(B) Amount recognised in other comprehensive income ("OCI")

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax related to items recognised in OCI		
Deferred tax income / (expense) on remeasurements of defined benefit plans	13.84	(8.94)
Deferred tax (expense) / income on fair value gain on investments in equity instruments through OCI	(0.59)	5.53
Deferred tax income / (expense) recognised in OCI	13.25	**(3.41)**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

(C) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	24831.38	25295.31
Enacted tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	6249.56	6366.32
Tax effect of		
Non-deductible tax expenses	40.92	252.01
Rate difference	(18.25)	(154.60)
Recognition of tax allowances	(616.31)	7.70
	5655.92	**6471.43**
Adjustments in respect of income-tax for earlier years	579.39	52.53
Income-tax recognised in the standalone statement of profit and loss	**6235.31**	**6523.96**

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

Particulars	31 March 2022	31 March 2021
Deferred tax liabilities		
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	5629.47	5601.94
Fair value gain on derivatives	181.72	181.73
Others	17.64	17.90
Total deferred tax liabilities (A)	**5828.83**	**5801.57**
Deferred tax assets		
Allowable for tax purposes on payment basis	1887.72	1157.48
Provision for doubtful trade receivables	495.58	623.02
Others	315.31	168.80
Total deferred tax assets (B)	**2698.61**	**1949.30**
Net deferred tax liability (A-B)	**3130.22**	**3852.27**

(E) Movement in temporary differences:

Particulars	Balance as at 01 April 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	Balance as at 31 March 2021	Recognised in profit or loss during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March 2022
Deferred tax liabilities							
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	5848.76	(246.82)	-	5601.94	27.53	-	5629.47
Fair valuation gain in derivatives	181.73	-	-	181.73	(0.01)	-	181.72
Others	22.33	1.10	(5.53)	17.90	(0.85)	0.59	17.64
Total deferred tax Liabilities (A)	**6052.82**	**(245.72)**	**(5.53)**	**5801.57**	**26.67**	**0.59**	**5828.83**
Deferred tax assets							
Allowable for tax purposes on payment basis	1258.80	(101.32)	-	1157.48	730.24	-	1887.72
Provision for doubtful trade receivables	671.94	(48.92)	-	623.02	(127.44)	-	495.58
Voluntary early retirement scheme	34.64	(34.64)	-	-	-	-	-
Others	229.88	(52.14)	(8.94)	168.80	132.67	13.84	315.31
Total deferred tax assets (B)	**2195.26**	**(237.02)**	**(8.94)**	**1949.30**	**735.47**	**13.84**	**2698.61**
Net deferred tax (asset) / liability (A-B)	**3857.56**	**(8.70)**	**3.41**	**3852.27**	**(708.80)**	**(13.25)**	**3130.22**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

35. Operating segments

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segment are presented in these standalone financial statements.

36. Employee benefits

The Company has the following post-employment benefit plans:

(a) Defined contribution plan*

The following amount has been recognised as an expense in standalone statement of profit and loss on account of contribution to provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	31 March 2022	31 March 2021
Contribution to provident fund	631.43	582.85
Contribution to employees state insurance schemes	15.75	15.48
Contribution to superannuation fund	25.25	23.99
	672.43	**622.32**

*Including expense related to discontinued operations.

(b) Defined benefit plan

In accordance with the 'The Payment of Gratuity Act, 1972', the Company provides for Gratuity, the Employees' Gratuity Fund Scheme (the Gratuity Plan), covering eligible employees. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at the end of the year and are charged to the standalone statement of profit and loss. This defined benefit plans expose the Company to actuarial risks, such as liquidity risk, interest rate risk, investment risk, etc.

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

The Gratuity plan managed by a trust is a defined benefit gratuity plan which is administered through Group Gratuity Scheme with Life Insurance Corporation of India ("LIC"). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The Company has determined that, in accordance with the terms and conditions of the gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan of the relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. As such, no decrease in the defined benefit asset is necessary at 31 March 2022 (31 March 2021: no decrease in defined benefit asset).

i. Reconciliation of the net defined benefit (asset) / liability

The following tables summarises the components of net benefit expense recognised in the standalone statement of profit and loss, the funded status and amount recognised in the standalone balance sheet for the gratuity plan:

Particulars	31 March 2022	31 March 2021
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	2021.22	1965.01
Current service cost	233.88	212.34
Interest cost	135.32	126.05
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(28.90)	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36. Employee benefits (Contd..)

(b) Defined benefit plan (Contd..)

i. Reconciliation of the net defined benefit (asset) / liability (Contd..)

Particulars	31 March 2022	31 March 2021
- change in financial assumptions	26.52	37.43
- experience variance (i.e. actual experience vs assumptions)	36.24	(74.07)
Benefits paid	(146.93)	(135.02)
Employees transferred through slump sale (refer note 33)	-	(110.52)
Balance at the end of the year	**2277.35**	**2021.22**
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	1871.50	1717.48
Interest income	125.29	114.99
Contributions paid into the plan	0.04	48.31
Benefits paid	(22.59)	(8.16)
Return on plan assets, excluding amount recognised in net interest expense	(21.14)	(1.12)
Balance at the end of the year	**1953.10**	**1871.50**
Net defined benefit liability recognised in standalone balance sheet*	**324.25**	**149.72**
* Including liabilities directly associated with Disposal group (refer note 33).		
*Expense recognised in standalone statement of profit and loss**		
Current service cost	233.88	212.34
Net Interest cost on the net defined benefit liability	10.02	11.06
	243.90	**223.40**
*Including expense related to discontinued operations.		
Remeasurements recognised in other comprehensive income		
Actuarial loss / (gain) on defined benefit obligation	33.86	(36.65)
Return on plan assets, excluding amount recognised in net interest expense	21.14	1.12
	55.00	**(35.53)**

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2022	31 March 2021
Fund managed by LIC	100%	100%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2022	31 March 2021
Discount rate	6.90%	6.70%
Future salary growth	11% for the next year and 8% thereafter	8.00%
Attrition rate	7.00%	5.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36. Employee benefits (Contd..)

(b) Defined benefit plan (Contd..)

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

	31 March 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	2129.14	2445.99	1863.13	2204.09
Effect of 1% change in the assumed salary growth rate	2441.92	2129.81	2199.94	1863.54
Effect of 0.5% change in the assumed attrition rate	2237.66	2331.99	1982.75	2071.03

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of INR 559.25 lacs to the plan for the next annual reporting period (31 March 2021: INR 378.27 lacs).

Maturity profile of the defined benefit obligation

Expected cash flows

Particulars	31 March 2022	31 March 2021
Within 1 year	411.54	215.54
2 to 5 years	904.24	786.44
6 to 10 years	935.19	849.81
More than 10 years	1875.24	2216.53

As at 31 March 2022, the weighted average duration of the defined benefit obligation was 7 years (31 March 2021: 8 years).

(c) Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

37. Earnings per share ("EPS")

Particulars	31 March 2022	31 March 2021
(a) Net profit attributable to the equity shareholders - Continuing operations	18582.82	14224.50
(b) Net profit attributable to the equity shareholders - Discontinued operations	-	4550.26
(c) Weighted average number of equity shares outstanding during the year	7501380	7487939
(d) Effect of potential equity shares on employee stock options outstanding	48933	25193
(e) Weighted average number of equity shares outstanding for computing diluted earnings per share [(c) + (d)]	7550313	7513132
(f) Nominal value of equity shares (in INR)	10.00	10.00
Continuing Operations		
(g) Basic earnings per share (in INR) [(a)/(c)]	247.73	189.97
(h) Diluted earnings per share (in INR) [(a)/(e)]	246.12	189.33
Discontinued Operations		
(i) Basic earnings per share (in INR) [(b)/(c)]	-	60.77
(j) Diluted earnings per share (in INR) [(b)/(e)]	-	60.56

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

37. Earnings per share ("EPS") (Contd..)

Particulars	31 March 2022	31 March 2021
Continuing and Discontinued Operations		
(k) Basic earnings per share (in INR) [(a+b)/(c)]	247.73	250.74
(l) Diluted earnings per share (in INR) [(a+b)/(e)]	246.12	249.89

38. Capital commitments

Particulars	31 March 2022	31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	2869.92	631.08

39. Contingent liabilities

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

Particulars	31 March 2022	31 March 2021
(a) Demand raised by the Income-tax authorities, being disputed by the Company*	1873.04	803.61
(b) Demands raised by sales tax authorities, being disputed by the Company**	1953.45	2258.15
(c) Demands (including penalties) raised by excise authorities, being disputed by the Company***	689.21	731.58
(d) Appeal filed by the Company before the High Court of Judicature of Andhra Pradesh against the decision of appeal in favour of the Income-tax department pertaining to wealth tax matter.	56.98	56.98
(e) Pending cases with High Court where Income-tax department has preferred appeals	1535.22	1467.69
(f) Demand for property tax, being disputed by the Company	1083.00	252.15
(g) Other claims against the Company not acknowledged as debts ****	286.64	286.64

(h) There are other civil matters against the Company of which one such case is pertaining to certain mining activity performed by the Company in the past. The National Green Tribunal ("NGT"), New Delhi, disposed off the above case in the earlier year, directing that the restoration of mine to be carried out by State of Jharkhand; and filing of claims by the victims before the District Judge, Chaibasa for adjudication. Aggrieved by some of the findings in the aforesaid Orders and subsequent Orders passed by NGT, the Company filed a Civil Appeal before the Honourable Supreme Court of India. The Honourable Supreme Court of India directed to issue notice to the other parties and maintain Status Quo in the meantime. During the previous year, the District Mining Officer, Chaibasa, has sought payment of environment compensation of INR 1344 lacs from the Company which is in wilful disobedience of the aforesaid order passed by the Honourable Supreme Court. The Company has responded accordingly. In view of the aforesaid Status Quo Order, the further proceedings before NGT are being adjourned from time to time. Management believes that the final outcome of the above matter is not expected to be material on the financial statements.

* Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, depreciation expenses on wind mill, other expenses not allowed.

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

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

**** Other claims against the Company not acknowledged as debt mainly includes liability towards fuel surcharge adjustment disputed with electricity board for the financial year 2008-09 and 2009-10.

The Company is contesting the demands and the Management believe that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in the standalone financial statements for the demand raised / show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the Company's standalone financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

39. Contingent liabilities (Contd..)

B. On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company has made a provision for provident fund contribution based on the best estimate during the earlier year. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

40. Related parties

A. List of related parties and nature of relationship

Name of the related party	Nature of relationship	Country	% of Holding as at	
			31 March 2022	31 March 2021
Supercor Industries Limited (refer note 46(b))	Joint venture	Nigeria	33%	33%
HIL International GmbH (refer note 46(a))	Wholly owned subsidiary	Germany	100%	100%
Parador Holding GmbH (refer note 46(a))	Step-down subsidiary	Germany	100%	100%
Parador GmbH	Step-down subsidiary	Germany	100%	100%
Parador Parkettwerke GmbH	Step-down subsidiary	Austria	100%	100%
Parador (Shanghai) Trading Co., Ltd.	Joint venture	China	50%	50%

Name of the related party	Nature of relationship
Key Management personnel	
Mr. Dhirup Roy Choudhary	Managing Director and Chief Executive Officer ("CEO")
Mr. KR Veerappan	Chief Financial Officer
Mr. G Manikandan	Company Secretary and Financial Controller (resigned w.e.f. 13 August 2020)
Mr. Ashish Malhotra	Company Secretary and Head - Legal (joined on 14 August 2020, resigned w.e.f 30 September 2020)
Mr. Mahesh Thakar	Company Secretary and Head - Legal (joined on 02 February 2021)
Non-Executive Directors and Independent Directors	
Mr. CK Birla	Chairman (Non-Executive Director)
Mr. Desh Deepak Khetrapal	Non-Executive Director
Mrs. Gauri Rasgotra	Independent Director
Mr. V.V. Ranganathan	Independent Director
Dr. Arvind Sahay	Independent Director
List of other related parties with whom there are transactions	
Birla Buildings Limited	
CK Birla Corporate Services Limited	
GMMCO Limited	
National Engineering Industries Limited	
Orient Cement Limited	
Orient Electric Limited	
Orient Paper and Industries Limited	
CK Birla Healthcare Private Limited	

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

40. Related parties (Contd..)

B. Transactions with related parties

Related party	Nature of transactions	31 March 2022	31 March 2021
Non-Executive Directors and Independent Directors	Sitting fees and commission	183.75	179.75
Managing Director and Chief Executive Officer	Managerial remuneration***		
	- Remuneration*	458.85	399.87
	- Perquisite value of ESOPs exercised during the year	815.95	88.90
	- Long term incentives	352.90	-
Chief Financial Officer	Salaries*	209.90	197.91
	Long term incentives	108.37	-
	Salary advance given	20.00	-
	Salary advance refund back	20.00	-
Company Secretary	Salaries*	70.89	71.77
Parador GmbH, Germany	Purchase of goods	108.38	150.60
	Reimbursement of expenses	12.15	19.46
HIL International GmbH, Germany	Repayment of loan given	-	4660.27
	Interest income on loan	655.50	851.37
	Interest received on loan	351.05	1687.77
GMMCO Limited	Purchase of goods	9.45	244.46
	Purchase of services	9.08	17.38
National Engineering Industries Limited	Rent paid	86.50	93.87
	Reimbursements	12.12	2.63
Birla Buildings Limited	Rent paid	0.44	29.68
	Rent received	0.04	-
	Purchase of services	31.59	-
	Reimbursements	12.03	10.03
	Dividend received	0.25	0.25
CK Birla Corporate Services Limited	Professional services	574.46	436.32
	Brand usage	109.95	87.96
	Reimbursements	15.54	3.62
Orient Paper and Industries Limited	Rent received	66.04	66.04
	Sale of finished goods	2.97	-
	Dividend paid	407.86	226.59
Orient Cement Limited	Rent received	81.84	81.84
	Sales of finished goods	2.48	0.38
CK Birla Healthcare Private Limited	Purchase of services	12.71	-

C. Balances outstanding

Related party	Details	31 March 2022	31 March 2021
Supercor Industries Limited, Nigeria	Dividend receivable on investments #	9.01	9.01
Non-Executive Directors and Independent Directors	Commission	120.00	120.00
Managing Director and Chief Executive Officer	Managerial remuneration***		
	- Remuneration*	69.39	88.00
	- Long term incentives	352.90	-
Chief Financial Officer	Salaries*	31.59	42.25
	Long term incentives	108.37	-
Company Secretary	Salaries*	10.81	3.80
Parador GmbH, Germany	Trade payable	11.55	40.73
HIL International GmbH, Germany**	Loan given	7994.60	8144.24

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

40. Related parties (Contd..)

C. Balances outstanding (Contd..)

Related party	Details	31 March 2022	31 March 2021
	Interest accrued on loan given	480.11	180.38
GMMCO Limited	Trade payable	0.34	0.16
Birla Buildings Limited	Rent payable	0.63	0.12
CK Birla Corporate Services Limited	Trade payables	166.18	127.53
National Engineering Industries Limited	Rent payable	0.09	0.09

During earlier year, the Company made provision for the dividend receivable amounting to INR 9.01 lacs from Supercor Industries Limited ("Supercor") as the receipt of same is considered to be doubtful. Further, the Company has also made provision for value of investment in Supercor in the books of account amounting to INR 142.60 lacs.

* As the future liabilities for gratuity, compensated absences and other long-term employee benefit plans are provided on an actuarial basis and payment of insurance costs are made for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above.

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

** The related party loan given to HIL International GmbH, Germany was for the purpose of partly financing the acquisition of 100% shareholding of Parador Holding GmbH, Germany. The outstanding loan amount is repayable in three installments starting 16 August 2027 upto 16 August 2029. The said loan carries an interest rate of 8% p.a. (31 March 2021: 8% p.a.).

*** The remuneration paid / payable by the Company to its Managing Director and Chief Executive Officer during the current year is INR 1627.70 lacs. The limit on such remuneration prescribed under Section 197 read with Schedule V to the Companies Act, 2013 ("the Act") is INR 1205.63 lacs. The excess remuneration is primarily attributable to the value of perquisites relating to employee stock options exercised by the Managing Director and Chief Executive Officer during the current year. The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for the same by way of special resolution in accordance with the requirements of the Act, in addition to ratification of appointment as per Section 196(4) of the Act. As per management's assessment the approval from shareholders for excess remuneration is probable.

41. Details of dues to Micro Enterprises and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information as required under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Particulars	31 March 2022	31 March 2021
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [(including INR 97.42 lacs shown under capital creditors (31 March 2021: INR 71.69 lacs)]	1634.54	1051.99
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
(c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	Nil	Nil

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

42. Other provisions

Particulars	Opening balance	Created during the year	Utilised during the year	Closing balance
(i) For the year 2021-22				
Provision for employee related other costs [refer note (a) below]	54.68	75.77	33.95	96.50
Provision for litigations [refer note (b) below]	348.58	-	41.33	307.25
Provision - others [refer note (c) below]	410.01	-	20.01	390.00
	813.27	**75.77**	**95.29**	**793.75**
(ii) For the year 2020-21				
Provision for employee related other costs [refer note (a) below]	-	54.68	-	54.68
Provision for litigations [refer note (b) below]	357.95	-	9.37	348.58
Provision - others [refer note (c) below]	450.69	20.00	60.68	410.01
	808.64	**74.68**	**70.05**	**813.27**

(a) The wage agreement at two of the manufacturing locations (31 March 2021: at five) of the Company are pending as at 31 March 2022.

(b) Provision for litigations represents provision towards potential liability against various ongoing indirect tax cases based on Company's internal assessment.

(c) Provision - others represents provision towards possible obligation against certain past events for which the expected outflow is certain.

43 Share based payments

A. Description of share-based payment arrangements

Employee stock option scheme (equity-settled)

The Company provides share-based payment schemes to its eligible employees as identified in the employee stock option schemes. The relevant details of these schemes and the grants are as below:

On 12 May 2015, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2015 (ESOP scheme 2015) for issue of stock options to identified employees of the Company.

On 12 August 2019, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2019 (ESOP scheme 2019) for issue of stock options to identified employees of the Company.

According to the scheme, eligible employees identified by the Nomination and Remuneration cum Compensation Committee are entitled to options, subject to satisfaction of the prescribed vesting conditions. The relevant terms of the grant as mentioned in the ESOP scheme 2015 and ESOP scheme 2019 are as below:

Particulars	ESOP scheme 2019	ESOP scheme 2015	
	Grant I	Grant I	Grant II
Date of grant	14 October 2019	17 August 2015	27 July 2017
Number of options outstanding	70411	-	-
Vesting period	40% - end of year 3 60% - end of year 4	40% - end of year 3 60% - end of year 4	40% - end of year 3 60% - end of year 4
Exercise period	4 years from the respective dates of vesting	4 years from the respective dates of vesting	4 years from the respective dates of vesting
Exercise price (INR)	1234.15	620.00	620.00
Weighted average market price (INR)	1234.15	789.59	1091.02

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

43. Share based payments (Contd..)

B. Measurement of fair values

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

As at 31 March 2022 and 31 March 2021

	ESOP scheme 2015			
	Grant I		Grant II	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Grant date	**17 August 2015**		**27 July 2017**	
Fair value at grant date (INR)	341.69	341.69	563.45	563.45
Exercise price (INR)	620.00	620.00	620.00	620.00
Expected volatility (weighted average volatility)	34.32%	37.84%	33.04%	33.67%
Risk-free interest rate (based on government bonds)	7.43%	7.43%	6.41%	6.41%
Time to maturity (in years)	6.00	7.00	6.00	7.00
Expected dividends yields	3.02%	3.02%	2.50%	2.50%

	ESOP scheme 2019	
	Grant I	
	Tranche 1	Tranche 2
Grant date	**14 October 2019**	
Fair value at grant date (INR)	470.38	470.38
Exercise price (INR)	1234.15	1234.15
Expected volatility (weighted average volatility)	37.62%	37.89%
Risk-free interest rate (based on government bonds)	6.32%	6.56%
Time to maturity (in years)	5	6
Expected dividends yields	2.05%	2.05%

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The weighted average remaining contractual life for the stock options outstanding is 5.14 years (31 March 2021: 6.13 years).

C. Reconciliation of outstanding share options

The details of activity under "ESOP scheme 2015 and ESOP scheme 2019" are summarised below:

	31 March 2022	31 March 20221
	No. of options	No. of options
Outstanding at the beginning of the year	108227	130967
Granted during the year	-	-
Cancelled during the year*	16456	8500
Vested and exercised during the year	21360	14240
Outstanding at the end of the year	70411	108227

* cancelled stock options lies in pool account for future grants.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2022 was INR 4440.00 (31 March 2021: INR 1244.29).

D. Expense recognised in the standalone statement of profit and loss

For details on the employee benefits expense, refer note 28.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

44. Particulars of hedged foreign currency exposure as at the balance sheet date

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

Particulars	Currency	Number of contracts	Amount in foreign currency	Purpose
As at 31 March 2022	USD	43	10565474	For hedging of current and future trade payables
	USD	3	1013000	For hedging of loan and interest receivables
	EUR	18	8678037	For hedging of loan receivables
	EUR/USD	1	845000	For hedging of loan and interest receivables
As at 31 March 2021	USD	35	11137717	For hedging of trade payables
	USD	4	2013000	For hedging of loan and interest receivables
	EUR	18	8678037	For hedging of loan and interest receivables

45. Service concession arrangement

On 21 March 2011, the Company entered into a service concession agreement with Gujarat Urja Vikas Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 18 April 2011. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 1.8 MW wind power plant at village Vandhiya, Gujarat for a period of 25 years at a fixed rate of INR 3.56 per kwh for delivered energy as certified by state electricity authority of Gujarat state load dispatch center ("SLDC"), starting from 18 April 2011 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

On 24 September 2014, the Company entered into a service concession agreement with Ajmer Vidyut Vitran Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 30 September 2014. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 2 MW wind power plant at village Rajgarh, district Jaisalmer for a period of 25 years at a fixed rate of INR 5.31 per kwh for the delivered energy conforming the standards as approved by Rajasthan Electricity Regulatory Commission ("RERC"), starting from 30 September 2014 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

The Company recognised service concession arrangement with Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited under intangible asset model, on the basis that the Company will receive variable amount of revenue from the respective DISCOMs in Gujarat and Rajasthan depending upon the actual amount of electricity generated and supplied to the respective discoms. The discoms has not assured any minimum amount of proceeds to the Company. The Company bears the demand risk and the right to receive cash from the DISCOMs is not unconditional i.e. it depends upon the actual amount of electricity generated and supplied to the DISCOMs.

The service concession agreements with the Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited does not contain a renewal option. The standard rights of the grantor to terminate the agreement in both the arrangements include poor performance by the Company and the event of a material breach of the terms of the agreement by the Company. The standard rights of the Company to terminate the agreement in both the arrangements include failure of the grantor to make payment under the agreement and a material breach by the grantor of the terms of the agreement.

During the year, the Company has recorded revenue of INR 216.40 lacs (31 March 2021: INR 171.06 lacs) on generation of power, and recorded profit of INR 67.30 lacs (31 March 2021: INR 41.62 lacs).

46. Investment

a) Interest in subsidiary

The Company incorporated a wholly owned subsidiary "HIL International GmbH" at Germany on 04 July 2018 which acquired 100% shareholding of Parador Holding GmbH, Germany through sale and purchase agreement dated 11 July 2018 and completed the acquisition on 27 August 2018.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

46. Investment (Contd..)

b) Interest in joint venture

The Company's interest in a joint venture company is as follows:

Name of the joint venture company	Country of incorporation	Proportion of ownership interest	For the year ended on	Description of Interest
Supercor Industries Limited	Nigeria	33%	31 December 2021	JV established for manufacture of asbestos cement sheets

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity as at and for the years ended 31 December 2021 and 2020 are as follows:

Proportion of Company's interest in a joint venture company

Particulars	31 December 2021 (Unaudited)*	31 December 2020 (Unaudited)*
Assets		
Non-current assets	-	-
Current assets	-	-
Liabilities		
Non-current liabilities	-	-
Current liabilities	-	-
Income		
Revenue from operations	-	-
Other income	-	-
Expenses		
Raw materials consumed	-	-
Manufacturing and other expenses	-	-
Interest and financial charges	-	-
Depreciation expense	-	-
Provision for tax	-	-
Proposed dividend	-	-
Contingent liabilities	-	-
Capital commitments	-	-

* Data not available. Refer note (c) below

During the year ended 31 March 2022 and 31 March 2021, the Company did not receive any dividend from Supercor Industries Limited.

c) The Company in financial year 1979-80 had invested in Supercor Industries Limited, Nigeria ("Supercor"). Supercor suspended its operations from November 2015 and closed its offices because of which it has not prepared any financial statements since then. Therefore, the Company has been unable to incorporate the requisite financial information, if any, of Supercor in its consolidated financial statements as required under Section 129(3) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's investment in Supercor as at 31 March 2022 amounts to INR NIL (31 March 2021: INR NIL), after considering the provision for diminution in value of investments amounting to INR 142.60 lacs (31 March 2021: INR 142.60 lacs). During the period, on the basis of the request filed by the Company, an intimation was received from Reserve Bank of India for suspension of the Unique Identification Number allotted to Supercor. The Management does not foresee any future liability on account of any claim, with respect to Supercor over and above the amount invested in Supercor.

Notes to the Standalone Financial Statements

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47. Leases - In the capacity of lessor

The Company has given certain properties under non-cancellable leases to various parties. Following are the details of future minimum lease payments under the agreements:

Particulars	31 March 2022	31 March 2021
Not later than one year	194.39	378.35
Later than one year and not later than five years	21.00	215.39
Later than five years	-	-

48. Capital management

The Company aims to maintain a strong capital base so as to maintain the confidence of all stakeholders and to sustain future development of the business.

In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt represents non-current borrowings and current borrowings.

The Company's total debt to equity ratio at the reporting dates were as follows:

Particulars	31 March 2022	31 March 2021
Total debt	6617.70	14547.25
Total debt (A)	**6617.70**	**14547.25**
Total equity	103023.05	87651.45
Total equity (B)	**103023.05**	**87651.45**
Total debt to total equity ratio (A/B)	**0.06**	**0.17**

49. Expenditure incurred on research and development

Revenue expenditure debited to respective heads of accounts includes expenditure incurred on Research and Development during the year amounting to INR 525.38 lacs (31 March 2021: INR 443.60 lacs) and assets / equipment purchased for research activities of INR 85.98 lacs (31 March 2021: INR 23.49 lacs) disclosed under Property, plant and equipment.

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

Particulars	31 March 2022	31 March 2021
Balance brought forward (A)	**6.00**	**42.76**
Expenditure incurred during the year		
Cost of material consumed	1.59	29.45
Employee benefits expense	1.48	16.60
Consumption of stores and spares	-	1.68
Contract wages	2.65	6.77
Power and fuel	0.39	10.78
Rates and taxes	3.83	-
Insurance	-	0.38
Professional, consultancy and legal expenses	5.92	33.06
Travelling and conveyance	4.89	3.45
Miscellaneous	1.79	6.20
Total expenditure during construction period (B)	**22.54**	**108.37**
Less: Turnover (C)	-	21.59
Less: Stocks of finished goods out of trial run production (D)	-	18.90
Total (A+B-C-D)	**28.54**	**110.64**
Allocated to property, plant and equipment	8.04	104.64
Balance carried forward	**20.50**	**6.00**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

51. Disclosures pertaining to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

a) The Company has made investment in the following Companies:

Entity	As at 31 March 2021	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2022
Investment in equity instruments					
HIL International GmbH, Germany	27346.24	-	-	-	27346.24
Supercor Industries Limited, Nigeria (refer note 46 (c))	-	-	-	-	-

Entity	As at 31 March 2020	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2021
Investment in equity instruments					
HIL International GmbH, Germany	27346.24	-	-	-	27346.24
Supercor Industries Limited, Nigeria (refer note 46 (c))	-	-	-	-	-

b) The Company has given unsecured interest bearing loans to its following subsidiary:

Entity	As at 31 March 2021	Given / (repaid) during the year	Impact of foreign exchange translation	As at 31 March 2022*	Maximum balance outstanding during the year
HIL International GmbH, Germany	8144.24	-	(149.64)	7994.60	8144.24

Entity	As at 31 March 2020	Given / (repaid) during the year	Impact of foreign exchange translation	As at 31 March 2022*	Maximum balance outstanding during the year
HIL International GmbH, Germany	12432.71	(4660.27)	371.80	8144.24	12432.71

*Restated at the closing conversion rate as the loan was given in foreign currency.

The above loan given to HIL International GmbH, Germany was for the purpose of partly financing acquisition of 100% shareholding of Parador Holding GmbH, Germany. The outstanding loan amount is repayable in three installments starting 16 August 2027 upto 16 August 2029. The said loan carries an interest rate of 8% p.a. (31 March 2021: 8% p.a.).

52. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 31 October 2022, as required by law. The Management confirms that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

53. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

54. Leases - In the capacity of lessee

The following tables summarise the movement in lease liabilities :

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	383.05	739.90
Additions	478.51	5.53
Interest expenses	53.39	44.85
Deletions	-	(164.64)
Repayment of principal & interest lease liabilities	(222.92)	(242.59)
Balance at the end	**692.03**	**383.05**

As at balance sheet date, the Company is not exposed to future cash flows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Company has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Company has incurred following expenses relating to short-term leases for which the recognition exemption has been applied (refer note 31).

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Expenses relating to short term leases* (refer note 31)	302.18	221.04
Expenses relating to low value leases	-	-

The following are the amounts recognised in standalone statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Right-of-use assets*	204.36	220.37
Interest expenses*	53.39	44.85
	257.75	**265.22**

*Including expense related to discontinued operations.

Amounts recognised in Statement of Cash flows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Repayment of principal & interest lease liabilities	222.92	242.59
	222.92	**242.59**

Total minimum lease payments are as follows:

Particulars	31 March 2022	31 March 2021
Not later than 1 year	207.72	112.89
Later than 1 year and not later than 5 years	341.18	208.67
More than 5 years	1404.34	544.01

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55. Financial instruments - fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2022

Particulars	Notes	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	10	1557.60	-	-	-	1557.60	-	1557.60	-	1557.60
Investments in equity instruments	7	-	34.24	-	-	34.24	-	-	34.24	34.24
		1557.60	**34.24**	**-**	**-**	**1591.84**	**-**	**1557.60**	**34.24**	**1591.84**
Financial assets not measured at fair value										
Trade receivables	8	-	-	8822.45	-	8822.45				
Loans	9	-	-	7994.60	-	7994.60				
Other financial assets	10	-	-	1791.71	-	1791.71				
Cash and cash equivalents	13	-	-	1435.67	-	1435.67				
Other bank balances	14	-	-	1129.55	-	1129.55				
		-	**-**	**21173.98**	**-**	**21173.98**				
Financial liabilities measured at fair value										
Derivative liabilities	20	32.67	-	-	-	32.67	-	32.67	-	32.67
		32.67	**-**	**-**	**-**	**32.67**	**-**	**32.67**	**-**	**32.67**
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	6617.70	6617.70				
Lease liabilities	18	-	-	-	692.03	692.03				
Trade payables	19	-	-	-	20246.07	20246.07				
Other financial liabilities	20	-	-	-	12928.24	12928.24				
		-	**-**	**-**	**40484.04**	**40484.04**				

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

31 March 2021

Particulars	Notes	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	10	882.45	-	-	-	882.45	-	882.45	-	882.45
Investments in mutual funds	7	3002.72	-	-	-	3002.72	3002.72	-	-	3002.72
Investments in equity instruments	7	-	31.65	-	-	31.65	-	-	31.65	31.65
		3885.17	**31.65**	**-**	**-**	**3916.82**	**3002.72**	**882.45**	**31.65**	**3916.82**
Financial assets not measured at fair value										
Trade receivables	8	-	-	7921.66	-	7921.66				
Loans	9	-	-	8144.24	-	8144.24				
Other financial assets	10	-	-	1423.86	-	1423.86				
Cash and cash equivalents	13	-	-	1164.19	-	1164.19				
Other bank balances	14	-	-	323.28	-	323.28				
		-	**-**	**18977.23**	**-**	**18977.23**				

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55. Financial instruments - fair values and risk management (Contd..)

A. Accounting classifications and fair values (Contd..)

31 March 2021 (Contd..)

Particulars	Notes	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value										
Derivative liabilities	20	29.10	-	-	-	29.10	-	29.10	-	29.10
		29.10	-	-	-	**29.10**	-	**29.10**	-	**29.10**
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	14547.25	14547.25				
Lease liabilities	18	-	-	-	383.05	383.05				
Trade payables	19	-	-	-	17205.08	17205.08				
Other financial liabilities	20	-	-	-	10603.56	10603.56				
		-	-	-	**42738.94**	**42738.94**				

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

Derivative assets / liabilities: The fair value is determined using forward exchange rates at the reporting date.

Investment in equity instruments: The fair value is determined based on the average of value determined as per discounted cash flows approach and intrinsic value per share as on the reporting date.

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2021-22 and no transfers in either direction in 2020-21.

iii. Level 3 fair values

Particulars	FVOCI Equity securities
Balance at 01 April 2020	55.80
Net change in fair value (unrealised)	(24.15)
Balance at 31 March 2021	**31.65**
Balance at 01 April 2021	31.65
Net change in fair value (unrealised)	2.59
Balance at 31 March 2022	**34.24**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55. Financial instruments - fair values and risk management (Contd..)

B. Measurement of fair values (Contd..)

iii. Level 3 fair values (Contd..)

Sensitivity analysis

For the fair values of FVOCI equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

	OCI, net of tax	
	Increase	**Decrease**
2021-22		
Annual growth rate (2.5% movement)	157.48	(13.66)
2020-21		
Annual growth rate (2.5% movement)	14.50	(6.83)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

a) Liquidity risk

b) Market risk

c) Credit risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and deployment of risk management framework. The Board of Directors has adopted a Risk Policy, which empowers the management to access and monitoring the risk management parameters along with action taken and the same is updated to Board of Directors.

The Company's risk management policies are established to identify and analyse the risks being faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

a) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts reflect the principal amounts that are gross and undiscounted, and exclude the impact of netting agreements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55. Financial instruments - fair values and risk management (Contd..)

C. Financial risk management (Contd..)

a) *Liquidity risk (Contd..)*

Exposure to liquidity risk (Contd..)

31 March 2022

	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	3977.27	4240.63	2884.82	-	1355.81	-
Sales tax deferment loan - unsecured	137.24	137.24	132.26	4.98	-	-
Working capital	2503.19	2503.19	2503.19	-	-	-
Trade payables	20246.07	20246.07	20246.07	-	-	-
Capital creditors	645.12	645.12	645.12	-	-	-
Unpaid dividend	81.26	81.26	81.26	-	-	-
Security deposits	4335.68	4335.68	4335.68	-	-	-
Contract liabilities	5939.27	5939.27	5939.27	-	-	-
Other financial liabilities	1926.91	1926.91	1926.91	-	-	-
	39792.01	**40055.37**	**38694.58**	**4.98**	**1355.81**	**-**
Derivative financial liabilities						
Derivative liabilities	32.67	32.67	32.67	-	-	-
	32.67	**32.67**	**32.67**	**-**	**-**	**-**

31 March 2021

	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	4996.94	5348.17	1107.53	2884.82	1355.82	-
Sales tax deferment loan - unsecured	225.31	225.31	88.07	137.24	-	-
Term loan from Bank	3825.00	3825.00	900.00	900.00	2025.00	-
Working capital loan	5500.00	5500.00	5500.00	-	-	-
Trade payables	17205.08	17205.08	17205.08	-	-	-
Interest accrued	4.57	4.57	4.57	-	-	-
Capital creditors	359.18	359.18	359.18	-	-	-
Unpaid dividend	79.12	79.12	79.12	-	-	-
Security deposits	4304.67	4304.67	4304.67	-	-	-
Contract liabilities	4288.31	4288.31	4288.31	-	-	-
Other financial liabilities	1567.71	1567.71	1567.71	-	-	-
	42355.89	**42707.12**	**35404.24**	**3922.06**	**3380.82**	**-**
Derivative financial liabilities						
Derivative liabilities	29.10	29.10	29.10	-	-	-
	29.10	**29.10**	**29.10**	**-**	**-**	**-**

b) *Market risk*

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage market risks.

a) *Foreign currency risk*

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The functional currency for the Company is Indian Rupees. The currencies in which these transactions are primarily denominated is US dollars and Euros. The Company does not enter into any derivative instruments for trading or speculative purposes.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55 Financial instruments - fair values and risk management (Contd..)

C. Financial risk management (Contd..)

b) Market risk (Contd..)

a) *Foreign currency risk (Contd..)*

Currency risks related to the principal amounts of the Company's US dollar trade payables and Euro loan and interest receivables have been hedged using forward contracts that mature on or before the same dates as the payables and receivables are due for repayment. These contracts are designated as derivatives.

Generally, borrowings are denominated in currencies that matter the cash flows generated by the underlying operations of the Company. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore, hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary of data about the Company's exposure to unhedged currency risk (based on notional amounts) as reported to the management is as follows:

	Currency	As at 31 March 2022			As at 31 March 2021		
		Value in foreign currency	Exchange rate	Amount INR in lacs	Value in foreign currency	Exchange rate	Amount INR in lacs
Trade payables	EUR	(13730)	84.15	(11.55)	(22661)	85.73	(19.43)
Trade receivables	USD	-	-	-	243481	73.12	178.03
	EUR	-	-	-	7818	85.73	6.70
Loan to subsidiaries	EUR	-	-	-	821963	85.73	704.66
Interest accrued on loan to subsidiaries	EUR	547484	84.15	460.73	210411	85.73	180.38

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, US dollar or Euro against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2022					
(1% movement)	EUR	4.49	(4.49)	3.36	(3.36)

	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2021					
(1% movement)	USD	1.78	(1.78)	1.33	(1.33)
	EUR	8.72	(8.72)	6.53	(6.53)

b) *Interest rate risk*

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2022	31 March 2021
Variable rate borrowings including current maturities	2503.19	9325.00
Total borrowings	**2503.19**	**9325.00**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55. Financial instruments - fair values and risk management (Contd..)

C. Financial risk management (Contd..)

b) Market risk (Contd..)

b) *Interest rate risk (Contd..)*

Sensitivity

Particulars	Impact on profit and loss	
	31 March 2022	31 March 2021
1% increase in interest rate	(25.03)	(93.25)
1% decrease in interest rate	25.03	93.25

c) *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade receivables :

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

Trade receivables :	< 180 days	>180 days	Provision	Total
31 March 2022	8841.31	968.39	(987.25)	8822.45
31 March 2021	7799.60	1611.18	(1489.12)	7921.66

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	31 March 2022	31 March 2021
Balance as at 01 April	1489.12	1530.43
Amounts written off	(577.74)	-
Net remeasurement of loss allowance	75.87	(41.31)
Balance as at 31 March	987.25	1489.12

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56. Ratios

S. No.	Particulars	Formulae	Numerator	Denominator	Unit	31 March 2022	31 March 2021	% Change	Reasons for Variance*
a.	Current ratio	Current assets/ Current liabilities	Current assets	Current liabilities	Times	1.18	1.00	17.99%	
b.	Debt equity ratio	Total debt/ Shareholders equity	Current Borrowings + Non-current borrowings	Total equity	Times	0.06	0.17	-61.30%	The variance is due to prepayment of borrowings during the year.
c.	Debt service coverage ratio	Earnings available for debt service/ Debt service	Net profit after tax + interest + depreciation and amortization +/- Loss or gain on sale of property, plant & equipment	Interest + Lease interest payments + Current lease liabilities + Current borrowings	Times	3.96	2.18	81.40%	The variance is on account of increased revenue, reduced finance costs on account of prepayment of borrowings.
d.	Return on equity	Net Profits after taxes/ Average shareholder's equity	Net profits after taxes	Average shareholder's equity	%	19.49%	17.99%	8.36%	
e.	Inventory turnover ratio	Sales/ Average inventory	Net sales	Average inventory	Times	7.11	6.30	12.72%	
f.	Trade receivables turnover ratio	Sales/ Average accounts receivable	Net sales	Average accounts receivable	Times	20.54	15.37	33.62%	The variance is due to increased revenues along with faster realisation / reduced credit period.
g.	Trade payables turnover ratio	Purchases/ Average accounts payable	Purchases	Average accounts payable	Times	6.38	3.93	62.19%	The increase is majorly due to increase in inventory and increase in purchases of raw materials.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56 Ratios (Contd..)

S. No.	Particulars	Formulae	Numerator	Denominator	Unit	31 March 2022	31 March 2021	% Change	Reasons for Variance*
h.	Net capital turnover ratio	Sales/ Working capital	Net sales	Current assets - Current liabilities	Times	24.64	1981.89	-98.76%	The increase is primarily on account of increase in sales during the year and increase in overall current assets of the Company as compared to previous year.
i.	Net profit ratio	Net profits after taxes/ Net sales	Net profits after taxes	Net sales	%	9.42%	9.08%	3.66%	
j.	Return on capital employed	Earning before interest and taxes/Capital employed	Earning before interest and taxes	Total equity - Intangible assets - Intangible assets under development+ Non current borrowing + Current borrowings + Deferred tax liabilities	%	22.90%	20.24%	13.17%	
k.	Return on investment (Mutual fund)	Income generated from mutual funds / Average mutual funds invested	Income generated from mutual funds	Average mutual funds invested	%	2.88%	2.61%	10.34%	
l.	Return on investment (Fixed deposit)	Income generated from fixed deposits/ Average fixed deposits held	Income generated from fixed deposits	Average fixed deposits held	%	4.32%	3.74%	15.51%	

* Reason for variance is given for ratios having % change more than 25%

Notes to the Standalone Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

57. Impact of COVID - 19

The Company has considered internal and external sources of information up to the date of approval of the above financial results in evaluating the possible impact that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, intangible assets, inventories, receivables, investments and other financial assets. The Company has applied prudence in arriving at the estimates and assumptions and also performed sensitivity analysis on the assumptions used. The Company is confident about the recoverability of these assets. However, the impact of the global health pandemic may be different from that estimated as at the date of approval of the above financial results. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

58. Benami property

There are no proceeding initiated or pending against the Company as at 31 March 2022, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

59. Wilful defaulter

The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

60. Undisclosed incomes

The Company has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

61. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

62. Struck off companies

The Company has not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 06 May 2022

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322
Place: New Delhi

KR Veerappan
Chief Financial Officer
Place: New Delhi

Mahesh Thakar
Company Secretary and
Head - Legal
Place: New Delhi

Date: 06 May 2022

Independent Auditor's Report

To the Members of HIL Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of HIL Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its joint venture, which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such subsidiaries as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of report other auditor on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Goodwill and Brand with indefinite useful life

See Note 6 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
The Holding Company performs impairment assessment of Goodwill and Brand under Ind AS 36 "Impairment of Assets" on an annual basis and whenever there is an indication of impairment. The aforesaid assets arose on acquisition of a European Business. The Holding Company has assessed the useful life of the Brand also as indefinite. In performing the impairment test, the Holding Company has made several key assumptions, such as growth rates, discount rates and forecasted cash flows relating to the aforesaid entity. We identified impairment of Goodwill and Brand as a key audit matter because these estimates involve significant judgement, and the underlying assumptions are inherently uncertain.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – We evaluated the design and implementation of key internal financial controls of the Holding Company with respect to the impairment assessment of Goodwill and Brand and tested operating effectiveness of such controls; – We tested budgeting procedures upon which the cash flow forecasts were based. We also compared the actual past performances with the budgeted figures; – We involved valuation specialists to assist us in evaluating the key assumptions and methodology used by the Holding Company, in particular those relating to the forecast of the revenue growth, profit margins and discount rate. Valuation specialists also compared the assumptions to externally derived data in relation to key inputs such as projected economic growth, competition, cost inflation and discount rates; – We assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions; and – We assessed the adequacy of the disclosures including disclosures of key assumptions, judgments and sensitivities.

Independent Auditors' Report on the Audit of the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2022 (continued)

Key Audit Matters (continued)

See Note 6 to the consolidated financial statements

Revenue recognition

The Key Audit Matter	How the matter was addressed in our audit
The Group's revenue is primarily derived from sale of products of roofing solutions, building solutions, polymer solutions, flooring solutions and others. We have identified timing of revenue recognition as a key audit matter because there are variations in different sale contracts and consequently, there is a risk of revenue being overstated on account of recognition before transfer of control particularly due to pressures for achieving the performance targets for the year.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – We assessed the appropriateness of the revenue recognition accounting policies and compliance with applicable accounting standards; – We evaluated the design and implementation of key internal financial controls with respect to revenue recognition and tested operating effectiveness of such controls on selected transactions; – We performed substantive testing on samples selected using statistical sampling of revenue transactions, recorded during the year by testing the underlying documents to assess whether criteria for revenue recognition are met; – We tested sample journal entries selected based on specified risk-based criteria, to identify unusual items – We tested, on a sample basis using statistical sampling, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by testing the underlying documents; and – We carried out product wise year on year variance analysis on revenue recognised during the year to identify unusual variances.

Other Information

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

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

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

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and

Independent Auditors' Report on the Audit of the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2022 (continued)

maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Independent Auditors' Report on the Audit of the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2022 (continued)

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

Other Matters

(a) We did not audit the financial information of four subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of INR 104771 Lacs as at 31 March 2022, total revenues (before consolidation adjustments) of INR 155382 Lacs and net cash outflows (before consolidation adjustments) amounting to INR 6749 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditor whose report have been furnished to us by other auditor and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditor.

(b) The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of INR 218 Lacs for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of one joint venture, whose financial information have not been audited by us or by other auditor. This unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of other auditor and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiaries as were audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiaries and unaudited information of the joint venture furnished by the Management, as noted in the "Other Matters" paragraph:

Independent Auditors' Report on the Audit of the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2022 (continued)

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group and its joint venture. Refer Note 39 to the consolidated financial statements.

b) The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022. Refer Note 53 to the consolidated financial statements.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022.

d) (i) The management of the Holding Company has represented that, to the best of its knowledge and belief, as disclosed in the Note 60 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries"); or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding company has represented that, to the best of its knowledge and belief, as disclosed in the Note 60 to the accounts, no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries"); or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

e) The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Companies Act 2013.

The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in Note 16 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the Members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

We draw attention to Note 40 to the consolidated financial statements for the year ended 31 March 2022 according to which the managerial remuneration paid / payable to the Managing director and Chief Executive Officer of the Company is INR 1627.70 Lacs as compared to the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 of INR 1205.63 Lacs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting. Our opinion is not modified in respect of this matter.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No.: 061272
UDIN: 22061272AIMNDE5095

Place: Hyderabad
Date: 06 May 2022

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2022

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

xxi. In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable/ qualified remark given by the auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entity	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable/ qualified
01	HIL Limited	L74999TG1955PLC000656	Holding company	Clause (i)(c)

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Vikash Somani
Partner
Membership No.: 061272
UDIN: 22061272AIMNDE5095

Place: Hyderabad
Date: 06 May 2022

Annexure B

to the Independent Auditors' Report on the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of HIL Limited (hereinafter referred to as "the Company" or "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Company as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Vikash Somani
Partner
Membership No.: 061272
UDIN: 22061272AIMNDE5095

Place: Hyderabad
Date: 06 May 2022

Consolidated Balance Sheet

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	88749.43	90910.89
(b) Capital work-in-progress	4	2275.85	1078.50
(c) Investment property	5	1972.09	2009.58
(d) Goodwill	6	12696.78	12934.43
(e) Other intangible assets	6	9701.38	9765.40
(f) Intangible assets under development	6	340.94	315.94
(g) Equity accounted investee	46	294.45	232.79
(h) Financial assets			
(i) Investments	7	34.62	32.04
(ii) Trade receivables	8	-	4.36
(iii) Other financial assets	9	2720.65	1991.42
(i) Non-current tax assets (net)		1453.61	2077.63
(j) Other non-current assets	11	954.50	1242.97
Total non-current assets		**121194.30**	**122595.95**
Current assets			
(a) Inventories	12	71612.28	48660.97
(b) Financial assets			
(i) Investments	7	-	3002.72
(ii) Trade receivables	8	10981.37	9649.12
(iii) Cash and cash equivalents	13	6213.88	12691.39
(iv) Bank balances other than (iii) above	14	1129.55	323.28
(v) Other financial assets	10	4887.33	7837.59
(c) Other current assets	11	6290.91	6586.68
Total current assets		**101115.32**	**88751.75**
TOTAL ASSETS		**222309.62**	**211347.70**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	754.11	751.97
(b) Other equity	16	115888.78	98774.77
Equity attributable to the owners of the Company		**116642.89**	**99526.74**
Non-controlling interest		-	-
Total equity		**116642.89**	**99526.74**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	16335.35	25936.83
(ia) Lease liabilities	18	1463.40	1589.05
(b) Provisions	21	3812.50	4020.96
(c) Deferred tax liabilities (net)	34	9798.58	10483.10
(d) Other non-current liabilities	22	112.73	197.27
Total non-current liabilities		**31522.56**	**42227.21**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	12432.44	15097.85
(ia) Lease liabilities	18	1038.83	463.35
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	19	1537.12	980.30
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	35384.19	31067.75
(iii) Other financial liabilities	20	16147.87	13214.88
(b) Other current liabilities	22	3043.61	3929.50
(c) Provisions	21	3409.63	2997.88
(d) Current tax liabilities (net)		1150.48	1842.24
Total current liabilities		**74144.17**	**69593.75**
TOTAL EQUITY AND LIABILITIES		**222309.62**	**211347.70**
Summary of significant accounting policies	3		
See accompanying notes to the consolidated financial statements			

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 06 May 2022

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322
Place: New Delhi

KR Veerappan
Chief Financial Officer
Place: New Delhi

Mahesh Thakar
Company Secretary and
Head - Legal
Place: New Delhi

Date: 06 May 2022

Consolidated Statement of Profit and Loss

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

	Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
	CONTINUING OPERATIONS			
I	Revenue from operations	23	352023.51	304357.31
	Other income	24	3044.51	1812.39
	TOTAL INCOME (I)		**355068.02**	**306169.70**
II	**EXPENSES**			
	Cost of materials consumed	25	194915.55	147299.17
	Purchases of stock-in-trade	26	8218.65	7775.91
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(7741.49)	2151.52
	Employee benefits expense	28	41880.11	39393.63
	Finance costs	29	1260.89	2784.27
	Depreciation and amortisation expenses	30	11629.94	10896.06
	Other expenses	31	75610.67	66818.92
	TOTAL EXPENSES (II)		**325774.32**	**277119.48**
III	**Profit before share of profit of equity accounted investees and tax from continuing operations (I-II)**		29293.70	29050.22
IV	**Share of profit of equity accounted investees (net of tax)**	46	218.42	114.02
V	**Profit before tax from continuing operations (III+IV)**		**29512.12**	**29164.24**
VI	**Tax expense:**			
	Current tax	34	9055.68	8591.55
	Deferred tax	34	(587.73)	(852.00)
VII	**Profit from continuing operations (V-VI)**		**21044.17**	**21424.69**
VIII	**Discontinued operations**			
	Profit before tax from discontinued operations	33	-	6133.95
	Tax expense of discontinued operations	34	-	1583.69
	Profit from discontinued operations (after tax)		-	**4550.26**
IX	**Profit for the year (VII + VIII)**		**21044.17**	**25974.95**
X	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of defined benefit asset / (liability)		60.50	(135.31)
	Income-tax relating to above item		(21.34)	49.38
			39.16	**(85.93)**
	(b) Equity investments through other comprehensive income - net change in fair value		2.59	(24.15)
	Income-tax relating to above item		(0.59)	5.53
			2.00	**(18.62)**
	Items that will be reclassified subsequently to profit or loss			
	(a) Exchange difference in translating financial statements of foreign operations		(797.12)	1018.28
	Other comprehensive income for the year, net of income-tax		**(755.96)**	**913.73**
XI	**Total comprehensive income for the year (IX + X)**		**20288.21**	**26888.68**
XII	**Profit attributable to:**			
	Owners of the Company		21044.17	25974.95
	Non-controlling interests		-	-
	Profit for the year		**21044.17**	**25974.95**
XIII	**Other comprehensive income attributable to:**			
	Owners of the Company		(755.96)	913.73
	Non-controlling interests		-	-
	Other comprehensive income for the year		**(755.96)**	**913.73**
XIV	**Total comprehensive income attributable to:**			
	Owners of the Company		20288.21	26888.68
	Non-controlling interests		-	-
	Total comprehensive income for the year		**20288.21**	**26888.68**
XV	Earnings per equity share for continuing operations (par value of INR 10 each)	37		
	Basic (in INR)		280.54	286.12
	Diluted (in INR)		278.72	285.16
XVI	Earnings per equity share for discontinued operations (par value of INR 10 each)	37		
	Basic (in INR)		-	60.77
	Diluted (in INR)		-	60.56
XVII	Earnings per equity share for continuing and discontinued operations (par value of INR 10 each)	37		
	Basic (in INR)		280.54	346.89
	Diluted (in INR)		278.72	345.72
	Summary of significant accounting policies	3		
	See accompanying notes to the consolidated financial statements			

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 06 May 2022

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322
Place: New Delhi

KR Veerappan
Chief Financial Officer
Place: New Delhi

Mahesh Thakar
Company Secretary and
Head - Legal
Place: New Delhi

Date: 06 May 2022

Consolidated Statement of Cash Flows

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A	**Cash flows from operating activities**		
	Profit for the year (before tax)	29512.12	35298.19
	Adjustments for:		
	Depreciation and amortisation expense	11629.94	10896.06
	Rental income from investment property	(483.61)	(545.55)
	Provision for impairment of receivables, advances and other assets, net	(665.25)	(232.88)
	Liabilities no longer required written back	(385.83)	(27.87)
	Net (gain) / loss on sale of property, plant and equipment	(726.07)	83.73
	Foreign exchange fluctuations, net	(487.15)	15.00
	Share of profit of equity accounted investee	(218.42)	(114.02)
	Financial assets measured at FVTPL - net change in fair value	(671.58)	155.96
	Net gain on sale of investments	(34.16)	(8.39)
	Employee stock compensation expense	71.43	149.17
	Finance costs	1260.89	2784.27
	Interest income	(155.56)	(194.75)
	Interest income on income tax refund	-	(133.35)
	Government grant	(84.55)	(84.55)
	Dividend income	(0.26)	(0.27)
	Profit from sale of discontinued operation	-	(6056.14)
	Operating profit before changes in assets and liabilities	**38561.95**	**41984.61**
	Changes in assets and liabilities:		
	(Increase) / decrease in inventories	(22951.31)	8179.79
	(Increase) / decrease in trade receivables and loans	(666.92)	2266.08
	Decrease / (increase) in other financial assets	2848.85	(1156.16)
	Decrease / (increase) in other assets	330.64	(301.00)
	Increase in trade payables	5326.16	588.80
	Increase in other financial liabilities	2635.91	2782.55
	Increase in provisions	263.79	912.73
	(Decrease) / increase in other current liabilities	(885.89)	518.97
	Cash generated from operating activities	**25463.18**	**55776.37**
	Income-tax paid (net of refund)	(9255.88)	(9175.62)
	Net cash from operating activities (A)	**16207.30**	**46600.75**
B	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment	(8610.08)	(10866.37)
	Proceeds from sale of property, plant and equipment	919.33	224.61
	Proceeds from sale of discontinued operation	-	7763.64
	Proceeds from sale of mutual funds	23192.64	10911.14
	Purchase of mutual funds	(19999.00)	(12299.96)
	Interest received	154.81	192.23
	Dividends received	0.26	0.27
	Bank balances not considered as cash and cash equivalents	(758.19)	91.75
	Rent received from long-term investment in properties	483.61	545.55
	Net cash used in investing activities (B)	**(4616.62)**	**(3437.14)**
C	**Cash flows from financing activities***		
	Repayment of long-term borrowings	(9393.87)	(26960.48)
	Receipts of long-term borrowings	-	4500.00
	Repayment of short-term borrowings (net)	(3059.81)	(10741.41)
	Finance costs	(968.36)	(2693.68)
	Interest on lease liabilities	(96.56)	(79.34)
	Repayment of lease liabilities	(1168.86)	(1220.83)
	Proceeds from issue of share capital	132.43	88.28
	Dividend paid on equity shares	(3373.78)	(1874.31)
	Net cash used in financing activities (C)	**(17928.81)**	**(38981.77)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(6338.14)**	**4181.84**
	Cash and cash equivalents at the beginning of the year	12691.39	8620.79
	Effect of changes in foregin currency fluctuation on cash and cash equivalents	(139.37)	(111.24)
	Cash and cash equivalents at the end of the year	**6213.89**	**12691.39**

Consolidated Statement of Cash Flows

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

* Changes in liabilities arising from financing activities:

Particulars	As at 01 April 2021	Cash flow changes	Non-cash changes	As at 31 March 2022
Long-term borrowings	32105.53	(9393.87)	186.79	22898.45
Short-term borrowings	8929.15	(3059.81)	-	5869.34

Note:

a) The above consolidated statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

b) The Group has presented its cash flows, that analyses all cash flows in total - i.e., including both continuing and discontinued operations; amounts related to discontinued operations are disclosed in note 33. However in our view, cash flows from discontinued operations can also be presented in other ways.

c) Cash and cash equivalents comprises of:

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
- In current accounts	6203.29	12682.69
Cash on hand	10.59	8.70
Cash and cash equivalents as per balance sheet	**6213.88**	**12691.39**

Summary of significant accounting policies (refer note 3)

See accompanying notes to the consolidated financial statements

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 06 May 2022

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322
Place: New Delhi

KR Veerappan
Chief Financial Officer
Place: New Delhi

Mahesh Thakar
Company Secretary and
Head - Legal
Place: New Delhi

Date: 06 May 2022

Consolidated Statement of Changes in Equity

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

a. Equity share capital

Particulars	Balance at the beginning of the year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
Balance at 31 March 2022	**751.97**	**-**	**-**	**2.14**	**754.11**
Balance at 31 March 2021	**750.55**	**-**	**-**	**1.42**	**751.97**

b. Other equity

Particulars	Reserves and surplus					Items of OCI		Total
	Retained earnings	Securities premium	General reserve	Capital redemption reserve	Shares options outstanding account	Equity investments through OCI	Exchange differences on translation of foreign operations	
Balance at 01 April 2020	**30371.85**	**774.76**	**41100.00**	**35.00**	**210.93**	**41.91**	**987.31**	**73521.76**
Total comprehensive income for the year ended 31 March 2021								
Profit for the year	25974.95	-	-	-	-	-	-	25974.95
Share based payment, net of reversal (refer note 43)	-	-	-	-	149.17	-	-	149.17
Other comprehensive income (net of tax)	(85.93)	-	-	-	-	(18.62)	1018.28	913.73
Total comprehensive income	**25889.02**	**-**	**-**	**-**	**149.17**	**(18.62)**	**1018.28**	**27037.85**
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-	-
Dividend	(1871.71)	-	-	-	-	-	-	(1871.71)
Share options exercised	-	167.10	-	-	(80.23)	-	-	86.87
Balance at 31 March 2021	**53389.16**	**941.86**	**42100.00**	**35.00**	**279.87**	**23.29**	**2005.59**	**98774.77**
Balance at 01 April 2021	**53389.16**	**941.86**	**42100.00**	**35.00**	**279.87**	**23.29**	**2005.59**	**98774.77**
Total comprehensive income for the year ended 31 March 2022								
Profit for the year	21044.17	-	-	-	-	-	-	21044.17
Share based payment, net of reversal (refer note 43)	-	-	-	-	71.43	-	-	71.43
Other comprehensive income (net of tax)	39.16	-	-	-	-	2.00	(797.12)	(755.96)
Total comprehensive income	**21083.33**	**-**	**-**	**-**	**71.43**	**2.00**	**(797.12)**	**20359.64**
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-	-
Dividend	(3375.92)	-	-	-	-	-	-	(3375.92)
Share options exercised	-	250.64	-	-	(120.35)	-	-	130.29
Balance at 31 March 2022	**70096.57**	**1192.50**	**43100.00**	**35.00**	**230.95**	**25.29**	**1208.47**	**115888.78**

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 06 May 2022

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

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Chief Executive Officer
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KR Veerappan
Chief Financial Officer
Place: New Delhi
Date: 06 May 2022

Mahesh Thakar
Company Secretary and
Head - Legal
Place: New Delhi

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

1. Corporate information

HIL Limited (the "Company") is a Company domiciled in India, with its registered office situated at SLN Terminus, Gachibowli, Hyderabad -500032, Telangana. The Company has been incorporated under the provisions of Companies Act, 2013 and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited in India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as "the Group") and the Group's interest in joint ventures.

The following subsidiaries and joint ventures are considered in the consolidated financial statements of the Company:

Name of the Company	Country of incorporation	% of Equity Interest
Subsidiary		
HIL International GmbH	Germany	100%
Step down subsidiaries		
Parador Holding GmbH	Germany	100%
Parador GmbH	Germany	100%
Parador Parkettwerke GmbH	Austria	100%
Joint ventures		
Parador (Shanghai) Trading Co., Ltd.	China	50%

Note: In addition to above, the Company has a 33% equity interest in Supercor Industries Limited, Nigeria. The same has not been consolidated in these consolidated financial statements for the reasons described in note 46(a).

The Group operations are broadly classified into Roofing Solutions, Building Solutions, Polymer Solutions, Flooring Solutions and Others.

Roofing Solutions consists of manufacturing, selling and distribution of Fiber Cement Sheets, Colored Steel Sheets and Cement based Non-Asbestos Corrugated Sheets with manufacturing facilities located at Faridabad, Jasidih, Kondapalli, Wada, Sathariya and Balasore.

Building Solutions broadly classifies into Wet-Walling Solutions, Dry-Walling Solutions and Thermal Insulation, which includes manufacturing and distribution of Fly Ash Blocks, Smart Fix, Smart Plaster, Smart Bond, Panels, Tile Adhesive and Boards with manufacturing facilities located at Hyderabad, Thimmapur, Faridabad, Chennai, Golan, Jhajjar and Dharuhera. Thermal Insulation business operated under the brand "HYSIL" has been sold under a slump sale arrangement during the year (refer note 33).

Polymer Solutions consists of UpVC, CpVC, SWR Pipes & Fittings and Wall Putty with manufacturing facilities located at Faridabad, Thimmapur, Golan and Jhajjar.

Flooring Solutions consists of Laminate, ClickBoard, Panels and Mouldings, Engineered, Resilient and Designer with manufacturing facilities located at Coesfeld, Germany and Gussing, Austria.

Others includes Material Handling and Processing Plant and Equipment with manufacturing facilities at Hyderabad, and revenue generated through Wind Turbine Generators situated in Gujarat, Tamil Nadu and Rajasthan.

2. Basis of preparation

A. Statement of compliance

a) These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provision of the Act under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) The consolidated financial statements were authorised for issue by the Company's Board of Directors on 06 May 2022.

c) Details of the Group's accounting policies are included in note 3.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian Rupees have been rounded-off to two decimal places to the nearest lacs except share data or as otherwise stated.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

C. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
- Certain financial assets and liabilities (including derivative instruments)	Fair value
- Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations
- Leases	Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. Right-to-use asset has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Practical expedient on transition to exclude initial direct costs from ROU asset measurement is considered.
- Disposal groups	The assets classified as held for sale have been measured at lower of carrying amounts and fair value less costs to sell.

D. Use of estimates and judgment

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 47 – leases: whether an arrangement contains a lease;
- Note 47 – lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 6 – impairment test of goodwill and intangible asset with indefinite life: key assumptions used in discounted cash flow projection;
- Note 11 – impairment test of non-financial assets;
- Note 11 – determining the fair value less costs to sell off the non-current assets held for sale on the basis of significant observable inputs;
- Note 21 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 36 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 56 – impairment of financial assets.

E. Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 – investment property;
- Note 11 – non-current assets held for sale;
- Note 43 – share based payment arrangements;
- Note 56 – financial instruments.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

a. Basis of consolidation

i. Business combination

In accordance with Ind AS 103, *Business Combination*, the Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see note 3(h)). Any gain on a bargain purchase is recognised in other comprehensive income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

iv. Loss of control

When the Group loses control over the subsidiaries, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date on which control is lost. Any resulting gain or loss is recognised in profit or loss.

v. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which joint control ceases.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

- foreign currency monetary items are translated in the functional currency at the exchange rate at the reporting date
- non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.
- non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

- exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the items which are recognised in OCI.

ii. Foreign operations

The assets and liabilities of foreign operations (subsidiaries and joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

The foreign currency translation differences in respect of foreign operations are recognised in OCI and accumulated in equity (as exchange differences on translation of foreign operations).

c. Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses

Items	Measurement basis
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its consolidated balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Financial assets and financial liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

iv. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised immediately in the profit or loss and are included in other income or expenses.

d. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as capital advance in other non-current assets.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease.

The estimated useful lives of items of property, plant and equipment are estimated by the management, which are equal to the life prescribed under the Schedule II of the Act, except for following assets mentioned below which are based on technical evaluation and past experience:

Plant and machinery: 4 years to 25 years as against 15 years

Certain buildings: 25 years as against 30 years

Certain moulds and dies: 6 to 9 years as against 8 years

Wind power generation plant: 25 years as against 22 years

Depreciation on Group's proportionate share in Fly Ash Handling System (capital expenditure not represented by asset owned by the Group but installed at vendor's location) is provided over its useful life of five years on straight-line basis.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

e. Goodwill and other intangible assets

i. Recognition

Goodwill

For measurement of goodwill that arises on a business combination see note 3(a)(i). Subsequent measurement is at cost less any accumulated impairment losses.

Service concession arrangements

The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Other intangible assets

Other intangible assets including acquired by the Group in a business combination are initially measured at cost. Such intangible assets with definite lives, are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible asset with indefinite life, is not amortised and is tested for impairment annually.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation

Goodwill and intangible asset with indefinite life, is not amortised and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in profit or loss.

The estimated useful lives are as follows:

Asset	Years
- Service concession arrangement	25
- Computer software	3 - 5
- Patents	7

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an

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investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
Depreciation on investment property other than perpetual leasehold land is calculated on a straight-line basis based on the useful life estimated by the management, which is equal to life prescribed in Schedule II of the Act.

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

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

g. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

h. Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured

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as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in consolidated balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share-based payment transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in 'Share options outstanding account' reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Group providing retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions payable to the provident fund and superannuation fund are

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recognised as expenses, when an employee renders the related services. The Group has no obligation, other than the contribution payable to the funds.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Group accounts for gratuity liability of its employees including contract workers on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of actuarial valuation using the projected unit credit method.

vi. Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

j. Revenue

Revenue from contract with customers

The Group generates revenue from sale of goods or services and other operating revenues. Revenue is recognised when a customer obtains control of the goods or services. The Group has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application being included in retained earnings.

Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by the nature of sale i.e. manufactured and traded goods, solutions i.e. roofing solutions, building solutions, polymer solutions, flooring solutions and others and geographic market. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cash flows are affected by industry, market and other economic factors.

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Contract balances

The Group classifies the right to consideration in exchange for sale of goods as trade receivables, advance consideration as contract liability against payment and unredeemable customer loyalty points as contract liability against performance obligation.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies.

a. Sale of products

(i) Nature and timing of satisfaction of performance obligations including significant payment terms: The timing of transfer of control is driven by the individual terms of contracts. Invoices are usually payable within agreed credit terms. For customer loyalty programme refer note (b) below.

(ii) Revenue is recognised when a customer obtains control of the goods which is driven by the individual terms of contracts. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

b. Customer loyalty programmes

(i) Nature and timing of satisfaction of performance obligations including significant payment terms: Customers who purchases products may enter into Group's customer loyalty programme and earn credits. These credits are redeemed against the awards as per the terms of the programme.

(ii) The Group allocates a portion of the consideration received to loyalty credits. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liability against performance obligation.

c. Sale of services

Revenue from sale of services is recognised when it is measurable and it is probable that future economic benefits will flow to the entity in accordance with tariff provided in power purchase agreement.

d. Rental income

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

k. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

l. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis.

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m. Leases

i. Leases as lessee

As a lessee, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. The Group decided to apply recognition exemptions to short-term leases.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments included in the measurement of the lease liability comprise:

a. Fixed payments including in substance fixed payments

b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

c. Amounts expected to be payable under a residual value guarantee

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'Financial liabilities' in the Balance sheet.

ii. Leases as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset

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arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

n. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

o. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best

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estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the consolidated financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

q. Earnings per share ("EPS")

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

r. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

s. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

t. Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

u. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

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v. Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical area of operations and is part of a single co-ordinated plan to dispose off a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation has discontinued from the start of the comparative period.

The disposal group, assets & liabilities classified as held for sale have been measured at lower of carrying amounts and fair value less costs to sell.

w. Recent pronouncements

There are no new accounting pronouncements that are applicable from 01 April 2022.

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4. Property, plant and equipment

Particulars	Freehold land (refer note (a) below)	Leasehold land	Buildings	Railway sidings	Plant and machinery (refer note (b) below)	Furniture and fittings	Office equipments	Vehicles	Right of use assets (refer note (e) below)	Total	Capital work-in-progress (refer note (f) below)
A. Cost or Deemed cost (Gross carrying amount)											
As at 01 April 2020	6881.83	75.43	31362.66	0.63	63828.89	694.41	2339.24	449.21	3163.13	108795.43	3503.43
Additions	-	-	2932.70	-	7248.22	57.07	488.47	4.75	1609.31	12340.52	8277.19
Deletions	-	-	(0.16)	-	(696.22)	(15.06)	(16.07)	(69.65)	(373.18)	(1170.34)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(10731.21)
Exchange differences on translation of foreign operations	151.33	-	528.51	-	615.97	-	59.02	9.27	30.46	1394.56	29.09
Reclassification from / (to) assets held for sale as part of disposal group	-	-	4.99	-	(9.96)	0.02	(0.73)	0.93	7.04	2.29	-
As at 31 March 2021	**7033.16**	**75.43**	**34828.70**	**0.63**	**70986.90**	**736.44**	**2869.93**	**394.51**	**4436.76**	**121362.46**	**1078.50**
Additions	-	-	1088.98	-	5634.21	45.05	654.97	32.49	2235.23	9690.93	8657.67
Deletions	-	-	(67.33)	-	(402.25)	(2.29)	(21.68)	(3.36)	(981.50)	(1478.41)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(7455.70)
Exchange differences on translation of foreign operations	(83.81)	-	(337.05)	-	(439.99)	-	(59.24)	(3.51)	(63.74)	(987.34)	(4.62)
As at 31 March 2022	**6949.35**	**75.43**	**35513.30**	**0.63**	**75778.87**	**779.20**	**3443.98**	**420.13**	**5626.75**	**128587.64**	**2275.85**
B. Accumulated depreciation / amortisation											
As at 01 April 2020	-	75.43	3182.22	0.51	15894.30	231.63	864.04	167.74	560.23	20976.10	-
For the year ended 31 March 2021	-	-	1295.84	-	7221.33	76.54	571.72	73.10	922.03	10160.56	-
Deletions	-	-	(0.05)	-	(588.74)	(8.74)	(12.25)	(35.37)	(216.85)	(862.00)	-
Exchange differences on translation of foreign operations	-	-	28.99	-	124.84	-	16.36	3.01	4.23	177.43	-
Reclassification from / (to) assets held for sale as part of disposal group	-	-	4.10	-	(7.30)	0.02	(0.07)	0.93	1.80	(0.52)	-
As at 31 March 2021	**-**	**75.43**	**4511.10**	**0.51**	**22644.43**	**299.45**	**1439.80**	**209.41**	**1271.44**	**30451.57**	**-**
For the year ended 31 March 2022	-	-	1398.18	-	7489.89	81.55	554.16	59.52	1257.17	10840.47	-
Deletions	-	-	(37.46)	-	(255.57)	(1.87)	(18.79)	(2.91)	(777.22)	(1093.82)	-
Exchange differences on translation of foreign operations	-	-	(51.74)	-	(239.73)	-	(33.87)	(3.12)	(31.55)	(360.01)	-
As at 31 March 2022	**-**	**75.43**	**5820.08**	**0.51**	**29639.02**	**379.13**	**1941.30**	**262.90**	**1719.84**	**39838.21**	**-**
C. Net carrying amounts (A-B)											
As at 31 March 2021	**7033.16**	**-**	**30317.60**	**0.12**	**48342.47**	**436.99**	**1430.13**	**185.10**	**3165.32**	**90910.89**	**1078.50**
As at 31 March 2022	**6949.35**	**-**	**29693.22**	**0.12**	**46139.85**	**400.07**	**1502.68**	**157.23**	**3906.91**	**88749.43**	**2275.85**

TOGETHER, WE BUILD.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

4. Property, plant and equipment (Contd..)

Note:

a) Title deeds not held in the name of the Group

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Freehold Land as at 31 March 2022 and as at 31 March 2021	1.27	Faridabad Complex Administration (now known as Municipal Corporation of Faridabad)	No	1964	Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad.

b) Refer note 49 for details of assets held for Research and Development.

c) Refer note 17 for details of assets pledged against borrowings.

d) The Group has not revalued any property, plant and equipment after initial recognition, during the current and previous financial year.

e) Right of use assets comprise of the following assets:

Particulars	Buildings	Land	Vehicles	Plant and machinery	Office equipments	Total
A. Cost or Deemed cost (Gross carrying amount)						
As at 01 April 2020	609.58	1090.57	1090.22	343.50	29.26	3163.13
Additions	489.17	5.53	174.52	845.08	95.01	1609.31
Deletions	(158.22)	-	(184.41)	-	(30.55)	(373.18)
Reclassification from assets held for sale as part of disposal group	-	-	7.04	-	-	7.04
Exchange differences on translation of foreign operations	(2.83)	-	29.20	3.71	0.38	30.46
As at 31 March 2021	**937.70**	**1096.10**	**1116.57**	**1192.29**	**94.10**	**4436.76**
Additions	1093.33	802.08	235.06	104.76	-	2235.23
Deletions	(635.57)	(92.19)	(197.66)	(56.08)	-	(981.50)
Exchange differences on translation of foreign operations	(18.51)	-	(20.21)	(23.29)	(1.73)	(63.74)
As at 31 March 2022	**1376.95**	**1805.99**	**1133.76**	**1217.68**	**92.37**	**5626.75**
B. Accumulated amortisation						
As at 01 April 2020	156.47	50.55	317.02	14.31	21.88	560.23
For the year ended 31 March 2021	311.08	49.31	278.99	253.83	28.82	922.03
Deletions	(48.89)	-	(137.41)	-	(30.55)	(216.85)
Reclassification from assets held for sale as part of disposal group	-	-	1.80	-	-	1.80
Exchange differences on translation of foreign operations	(1.58)	-	6.99	(1.93)	0.75	4.23
As at 31 March 2021	**417.08**	**99.86**	**467.39**	**266.21**	**20.90**	**1271.44**
For the year ended 31 March 2022	614.09	54.33	268.19	288.88	31.68	1257.17
Deletions	(435.92)	(92.19)	(193.04)	(56.07)	-	(777.22)
Exchange differences on translation of foreign operations	(9.44)	-	(9.35)	(11.49)	(1.27)	(31.55)
As at 31 March 2022	**585.81**	**62.00**	**533.19**	**487.53**	**51.31**	**1719.84**
C. Net carrying amounts (A-B)						
As at 31 March 2021	**520.62**	**996.24**	**649.18**	**926.08**	**73.20**	**3165.32**
As at 31 March 2022	**791.14**	**1743.99**	**600.57**	**730.15**	**41.06**	**3906.91**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

4. Property, plant and equipment (Contd..)

Note: (Contd..)

f) Aging details of capital work-in-progress (CWIP) is as below*

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2073.43	135.30	67.12	-	2275.85
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022	**2073.43**	**135.30**	**67.12**	**-**	**2275.85**
Projects in progress	975.05	102.99	0.46	-	1078.50
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021	**975.05**	**102.99**	**0.46**	**-**	**1078.50**

*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Wall Putty plant capacity enhancement	45.42	-	-	-	45.42
Others	29.67	-	-	-	29.67
As at 31 March 2022	**75.09**	**-**	**-**	**-**	**75.09**
Wall Putty plant capacity enhancement	102.41	-	-	-	102.41
Pipes and fittings plant capacity enhancement	13.31	-	-	-	13.31
Others	36.70	-	-	-	36.70
As at 31 March 2021	**152.42**	**-**	**-**	**-**	**152.42**

5. Investment property

Particulars	As at 31 March 2022	As at 31 March 2021
A. Reconciliation of carrying amount		
Cost or Deemed cost (Gross carrying amount)		
Opening balance	2212.00	2212.00
Deletions	(7.11)	-
Closing balance	**2204.89**	**2212.00**
Accumulated depreciation		
Opening balance	202.43	172.06
Depreciation for the year	30.37	30.37
Closing balance	**232.80**	**202.43**
Net carrying amounts	**1972.09**	**2009.58**
Fair value	**7639.97**	**7757.89**

Information regarding income and expenditure of investment property:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rental income derived from investment properties	483.61	545.55
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	483.61	545.55
Less: Depreciation	30.37	30.37
Profit arising from investment properties before indirect expenses	453.24	515.18

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

5. Investment property (Contd..)

B. Measurement of fair values

(i) Fair valuation hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuer is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used (see note 2(E)).

(ii) Valuation technique

The Group follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants, if any. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

C. Investment property comprises of the following:

(i) The Company along with other co-owners, has developed a plot of land at 25 Barakhamba Road, New Delhi, where the Company's share is 15%. The registration of the said plot of the value of INR 427.60 lacs (31 March 2021: INR 427.60 lacs) in the name of the Company is pending. Refer details below:

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or their employee	Property held since which date	Reason for not being held in the name of the Company
Land and building as at 31 March 2022 and 31 March 2021	427.60	The Embassy of Union of Soviet Socialist Republics	No	1989	The process for transfer of property in the name of the Company is in progress.

(ii) The Group has given the investment properties located in New Delhi and Hyderabad on lease to some parties. Certain lease agreements are cancellable and some are non-cancellable in nature. There are no contingent rents in the lease agreements. The lease terms are mainly for 3 years and are renewable at the option of the lessee. There are no restrictions imposed by lease agreements. Although there are sub-lease rights given to the lessees, there are no sub-leases as on the reporting date.

D. Refer note 47 for details of minimum lease payments.

6. Goodwill and other intangible assets

Particulars	Other intangible assets						Intangible assets under development (refer note (a) below)
	Goodwill	Softwares	Brand	Patents	Service concession arrangements	Total	
Reconciliation of carrying amount							
Cost or Deemed cost (Gross carrying amount)							
Balance at 01 April 2020	12505.33	1454.34	6133.47	1574.81	1997.94	11160.56	-
Additions	-	590.88	-	-	-	590.88	908.19
Deletions	-	(1.17)	-	-	-	(1.17)	-
Transfers to Intangible assets	-	-	-	-	-	-	(590.88)
Exchange differences on translation of foreign operations	429.10	13.78	210.46	54.04	-	278.28	(1.37)
Balance at 31 March 2021	**12934.43**	**2057.83**	**6343.93**	**1628.85**	**1997.94**	**12028.55**	**315.94**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

6. Goodwill and other intangible assets (Contd..)

Particulars	Other intangible assets						Intangible assets under development (refer note (a) below)
	Goodwill	Softwares	Brand	Patents	Service concession arrangements	Total	
Additions	-	837.14	-	-	-	837.14	863.29
Deletions	-	(84.27)	-	-	-	(84.27)	-
Transfers to Intangible assets	-	-	-	-	-	-	(837.14)
Exchange differences on translation of foreign operations	(237.65)	(28.31)	(116.56)	(29.93)	-	(174.80)	(1.15)
Balance at 31 March 2022	**12696.78**	**2782.39**	**6227.37**	**1598.92**	**1997.94**	**12606.62**	**340.94**
Accumulated amortisation							
Balance at 01 April 2020	-	809.00	-	356.20	376.59	1541.79	-
Amortisation for the year	-	383.52	-	234.94	87.64	706.10	-
Deletions	-	(1.16)	-	-	-	(1.16)	-
Exchange differences on translation of foreign operations	-	6.44	-	9.98	-	16.42	-
Balance at 31 March 2021	**-**	**1197.80**	**-**	**601.12**	**464.23**	**2263.15**	**-**
Amortisation for the year	-	436.38	-	235.08	87.64	759.10	-
Deletions	-	(82.91)	-	-	-	(82.91)	-
Exchange differences on translation of foreign operations	-	(16.38)	-	(17.72)	-	(34.10)	-
Balance at 31 March 2022	**-**	**1534.89**	**-**	**818.48**	**551.87**	**2905.24**	**-**
Net carrying amounts							
As at 31 March 2021	**12934.43**	**860.03**	**6343.93**	**1027.73**	**1533.71**	**9765.40**	**315.94**
As at 31 March 2022	**12696.78**	**1247.50**	**6227.37**	**780.44**	**1446.07**	**9701.38**	**340.94**

Notes:

(a) Ageing details of intangible assets under development is as below*

Particulars	For intangible assets under development				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	225.62	115.32	-	-	340.94
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022	**225.62**	**115.32**	**-**	**-**	**340.94**
Projects in progress	266.81	45.62	3.51	-	315.94
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021	**266.81**	**45.62**	**3.51**	**-**	**315.94**

*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Planning and budgeting tool	84.73	-	-	-	84.73
Others	30.98	-	-	-	30.98
As at 31 March 2022	**115.71**	**-**	**-**	**-**	**115.71**
Lead management tool	29.49	-	-	-	29.49
Connected shop floor (IoT 4.0)	54.87	-	-	-	54.87
Robotic process automation (RPA)	14.97	-	-	-	14.97
Accounts payable process workflow	10.00	-	-	-	10.00
As at 31 March 2021	**109.33**	**-**	**-**	**-**	**109.33**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

6. Goodwill and other intangible assets (Contd..)

(b) Impairment

See accounting policy in note 3(h).

Impairment testing for cash generating unit containing goodwill

The Group has identified its reportable segments Roofing Solutions, Building Solutions, Polymer Solutions and Flooring Solutions as the CGUs. For the purpose of impairment testing, goodwill is allocated to the Group's operating division which represents the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segment. The goodwill and brand (with indefinite life) acquired through business combination has been allocated to CGU "Flooring Solutions" segment of the Group. The carrying amount of goodwill as at 31 March 2022 is INR 12696.78 lacs (31 March 2021: INR 12934.43 lacs) and brand (with indefinite life) as at 31 March 2022 is INR 6227.37 lacs (31 March 2021: INR 6343.93 lacs).

Following key assumptions were considered while performing impairment testing:

Annual growth rate for 5 years (Average)	6.99%
Terminal value growth rate	0.5%
Budgeted EBITDA growth rate	8.94%
Weighted average cost of capital % (WACC) post tax	11.80%

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) = Risk free return + (Market premium x Beta for the Company).

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value. Accordingly, no impairment charges were recognised for FY 2021-2022.

(c) The Group has not revalued any intangible assets after initial recognition, during the current and previous financial year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

7. Investments

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Investment in equity instruments - unquoted at FVOCI (refer note (a) below)		
Birla Buildings Limited - 5000 equity shares of INR 10 each fully paid (31 March 2021 : 5000 equity shares of INR 10 each fully paid)	34.24	31.65
VR- Bank Westmünsterland eG - One share of Euro 450 each (31 March 2021 : One share of Euro 450 each)	0.38	0.39
	34.62	**32.04**
Aggregate amount of unquoted non-current investments	**34.62**	**32.04**
Current		
Investments in mutual funds - quoted at FVTPL	-	3002.72
	-	**3002.72**
Aggregate book value of quoted current investments	-	3002.72
Aggregate market value of quoted current investments	-	3002.72

(a) Equity shares designated as at fair value through other comprehensive income

The Group designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Group intends to hold long-term for strategic purposes.

Particulars	Investment in Birla Buildings Limited	
	As at 31 March 2022	As at 31 March 2021
Fair value at beginning of the year	31.65	55.80
Dividend income recognised during the respective year	0.25	0.25
Fair value at end of the year	34.24	31.65

No strategic investments were disposed off during the financial year 2021-22 and 2020-21, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

The Group has not traded or invested in Crypto currency or Virtual currency during the year.

8. Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Secured	-	4.36
Unsecured	436.39	504.98
	436.39	**509.34**
Less: Provision for impairment	(436.39)	(504.98)
	-	**4.36**
Current		
Secured	1219.30	1311.37
Unsecured (refer note 40 for receivables from related parties)	10775.53	10000.95
	11994.83	**11312.32**
Less: Provision for impairment	(1013.46)	(1663.20)
	10981.37	**9649.12**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

8. Trade receivables (Contd..)

Refer note 17 for details of trade receivables pledged against borrowings.

As at 31 March 2022, outstanding for the following periods from due date of payment

Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
– considered good	4723.91	6177.23	8.55	67.57	2.57	1.54	10981.37
– credit impaired	-	143.58	56.17	94.66	622.50	96.55	1013.46
Total undisputed trade receivables (A)	**4723.91**	**6320.81**	**64.72**	**162.23**	**625.07**	**98.09**	**11994.83**
Disputed trade receivables							
– considered good	-	-	-	-	-	-	-
– credit impaired	-	-	0.02	93.85	32.54	309.98	436.39
Total disputed trade receivables (B)	**-**	**-**	**0.02**	**93.85**	**32.54**	**309.98**	**436.39**
Total trade receivables (A+B)	**4723.91**	**6320.81**	**64.74**	**256.08**	**657.61**	**408.07**	**12431.22**

As at 31 March 2021, outstanding for the following periods from due date of payment

Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
– considered good	4352.81	5156.57	129.19	6.47	-	4.08	9649.12
– credit impaired	-	239.36	228.81	655.57	169.05	370.41	1663.20
Total undisputed trade receivables (A)	**4352.81**	**5395.93**	**358.00**	**662.04**	**169.05**	**374.49**	**11312.32**
Disputed trade receivables							
– considered good	-	-	-	-	-	4.36	4.36
– credit impaired	-	-	-	18.97	28.56	457.45	504.98
Total disputed trade receivables (B)	**-**	**-**	**-**	**18.97**	**28.56**	**461.81**	**509.34**
Total trade receivables (A+B)	**4352.81**	**5395.93**	**358.00**	**681.01**	**197.61**	**836.30**	**11821.66**

There were no unbilled receivables as at 31 March 2022 and as at 31 March 2021.

9. Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good		
Security deposits	1168.52	1066.38
Bank deposits due to mature after 12 months from the reporting date*	6.79	54.87
Derivative assets	1545.34	870.17
	2720.65	**1991.42**
Doubtful		
Security deposits	25.00	25.00
Other receivables	644.68	644.68
	669.68	**669.68**
Less: Provision for doubtful other financial assets	(669.68)	(669.68)
	-	**-**
	2720.65	**1991.42**

*It includes bank deposits held against bank guarantees amounting to INR 6.79 lacs (31 March 2021: INR 54.87 lacs).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

10. Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Unsecured, considered good		
Interest accrued on fixed deposits and security deposits	102.09	101.34
Derivative assets	12.26	12.28
Contract assets	23.53	17.38
Other receivables	4749.45	7706.59
	4887.33	**7837.59**
Doubtful		
Dividend receivable	9.01	9.01
Less: Allowance for doubtful receivables (refer note 40)	(9.01)	(9.01)
	-	-
	4887.33	**7837.59**

11. Other assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good		
Capital advances	325.42	577.46
Advances other than capital advances		
Balance with government authorities	586.93	650.70
Prepayments	42.15	14.81
	954.50	**1242.97**
Doubtful		
Advances other than capital advances		
Advance to suppliers and service providers	160.55	164.83
	160.55	**164.83**
Less: Allowance for doubtful advances	(160.55)	(164.83)
	954.50	**1242.97**
Current		
Advances other than capital advances		
Advance to suppliers and service providers	3526.97	2827.30
Advance to employees	106.29	93.51
Balance with government authorities	2076.89	3175.30
Prepayments	562.94	466.91
Others		
Non-current assets held for sale*	17.82	23.66
	6290.91	**6586.68**

*Management intended to sell plant and machinery of one of the manufacturing facilities within the Roofing Solution segment in earlier year. Although efforts to sell are in progress, management is also exploring the alternate use of these items in some of its other plants and basis the outcome of this exercise, final disposal plan will be initiated. One of the non-factory buildings under this category was disposed off during the year. For the other non-factory buildings, efforts to sell the asset have started and sale is expected by next financial year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

12. Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
(Valued at lower of cost and net realisable value)		
Raw materials	35614.43	20316.52
Work-in-progress	4776.36	3709.21
Finished goods	27929.89	21703.71
Stock-in-trade	756.18	650.09
Stores and spares	1311.78	967.87
	70388.64	**47347.40**
Inventories in transit		
Raw materials	1167.19	1260.29
Finished goods	40.90	53.28
Stores and spares	15.55	-
	1223.64	**1313.57**
	71612.28	**48660.97**

The write down of inventories to net realisable value during the year amounted to INR 378.94 lacs (31 March 2021: INR 358.69 lacs). The write down are included in changes in inventories of finished goods.

13. Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	10.59	8.70
Balances with banks		
- In current accounts	6203.29	12682.69
	6213.88	**12691.39**

14. Other bank balances

Particulars	As at 31 March 2022	As at 31 March 2021
Unpaid dividend accounts	81.26	79.12
Deposits with remaining maturity of less than 12 months*	1048.29	244.16
	1129.55	**323.28**

*It includes bank deposits held against bank guarantees amounting to INR 45.47 lacs (31 March 2021: INR 93.15 lacs).

15. Share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
9500000 (31 March 2021: 9500000) equity shares of INR 10 each	950.00	950.00
50000 (31 March 2021: 50000) preference shares of INR 100 each	50.00	50.00
	1000.00	**1000.00**
Issued, subscribed and fully paid-up capital		
7513903 (31 March 2021: 7492543) equity shares of INR 10 each fully paid-up	751.39	749.25
Forfeited shares (amount originally paid-up)	2.72	2.72
	754.11	**751.97**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

15. Share capital (Contd..)

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

Equity shares	31 March 2022		31 March 2021	
	Number of shares	Amount INR In Lacs	Number of shares	Amount INR In Lacs
Shares outstanding at the beginning of the year	7492543	749.25	7478303	747.83
Shares issued on exercise of Employee Stock Option Scheme (refer note 43)	21360	2.14	14240	1.42
Shares outstanding at the end of the year	**7513903**	**751.39**	**7492543**	**749.25**

(ii) Terms and rights attached to the equity shares

The Company has only one class of equity shares having a face value of INR 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Particulars of shareholders holding more than 5% of total number of equity shares

Equity shares of INR 10 each, fully paid-up	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Central India Industries Limited	1074634	14.30	1074634	14.34
Orient Paper and Industries Limited	906360	12.06	906360	12.10

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

(iv) Shares reserved for issue under Option

For details of shares reserved for issue under Employee Stock Option Schemes of the Company, refer note 43.

(v) Shares held by promoters at the end of the period

S. No.	Name of the promoter	31 March 2022			31 March 2021		
		Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1	Mr. Chandra Kant Birla	51376	0.68%	-	51376	0.69%	-
2	Amer Investments (Delhi) Limited	308763	4.11%	-	308763	4.12%	-
3	Hitaishi Investments Limited	67066	0.89%	-	67066	0.90%	-
4	Hyderabad Agencies Private Limited	4100	0.05%	-	4100	0.05%	-
5	Orient Paper and Industries Limited	906360	12.06%	-	906360	12.10%	-
6	Universal Trading Company Limited	4000	0.05%	-	4000	0.05%	-
7	Central India Industries Limited	1074634	14.30%	-	1074634	14.34%	-
8	Gwalior Finance Corporation Limited	96200	1.28%	-	96200	1.28%	-
9	Ranchi Enterprises and Properties Limited	4500	0.06%	-	4500	0.06%	-
10	Ashok Investment Corporation Limited	317743	4.23%	-	317743	4.24%	-
11	Shekhavati Investments and Traders Limited	224470	2.99%	-	224470	3.00%	-
		3059212	**40.70%**	**-**	**3059212**	**40.83%**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

16. Other equity

(A) Reserves and surplus

(i) Securities premium

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	941.86	774.76
Add: Additions during the year	250.64	167.10
	1192.50	**941.86**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	42100.00	41100.00
Add: Amount transferred from surplus balance in the consolidated statement of profit and loss	1000.00	1000.00
	43100.00	**42100.00**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(iii) Capital redemption reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	35.00	35.00
Add: Additions during the year	-	-
	35.00	**35.00**

Capital redemption reserve was created for redemption of preference shares and the balance represents the unutilised amount after complete redemption of the same.

(iv) Share options outstanding account

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	279.87	210.93
Less: Shares exercised during the period	(120.35)	(80.23)
Add: Share based payment expenses (refer note 28)	71.43	149.17
	230.95	**279.87**

The Company has formulated equity-settled share-based payment plans for certain categories of employees of the Company. Refer note 43 for further details on these plans.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

16. Other equity (Contd..)

(A) Reserves and surplus (Contd..)

(v) Retained earnings

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	53389.16	30371.85
Add: Profit for the year	21044.17	25974.95
Items of other comprehensive income directly recognised in retained earnings		
- Remeasurement of post employment benefit obligations, net of tax	39.16	(85.93)
Amount available for appropriations	**74472.49**	**56260.87**
Less : Appropriations		
Interim dividend on equity shares (amount per share INR 20.00 (31 March 2021: INR 15.00))	(1502.78)	(1123.88)
Transferred to general reserve	(1000.00)	(1000.00)
Final dividend on equity shares (amount per share INR 25.00 (31 March 2021: INR 10.00))	(1873.14)	(747.83)
Total appropriations	**(4375.92)**	**(2871.71)**
	70096.57	**53389.16**
Total reserves and surplus (A)	**114655.02**	**96745.89**

(B) Other comprehensive income ("OCI")

Particulars	As at 31 March 2022	As at 31 March 2021
Equity investments through OCI		
Balance at the commencement of the year	23.29	41.91
Changes in fair value	2.00	(18.62)
	25.29	**23.29**
Exchange differences on translation of foreign operations		
Balance at the commencement of the year	2005.59	987.31
Add: Movement during the year	(797.12)	1018.28
	1208.47	**2005.59**
Total other comprehensive income (B)	**1233.76**	**2028.88**
Total (A+B)	**115888.78**	**98774.77**

Dividends

Particulars	As at 31 March 2022	As at 31 March 2021
Dividend on equity shares (amount per equity share INR 45.00 (31 March 2021: INR 25.00))	3381.26	1873.14

Dividends paid during the year ended 31 March 2022 include an amount of INR 25.00 per equity share towards final dividend for the year ended 31 March 2021 and an amount of INR 20.00 per equity share towards interim dividends for the year ended 31 March 2022. Dividends paid during the year ended 31 March 2021 include an amount of INR 10.00 per equity share towards final dividend for the year ended 31 March 2020 and an amount of INR 15.00 per equity share towards interim dividends for the year ended 31 March 2021.

The Board of Directors of the Company have recommended a final dividend of INR 25.00 per share (250%) on 06 May 2022 for the financial year ended 31 March 2022. The Board also declared an additional final dividend of INR 20.00 (200%) per share to commemorate the celebration of Platinum Jubilee on completion of 75 years of incorporation. This, together with an interim dividend of INR 20.00 per share (200%) declared in the previous quarter, the total dividend for the financial year ended 31 March 2022 works out to INR 65.00 per share (650%) on Equity Shares of INR 10/- each. Final dividend and additional final dividend are subject to approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately INR 3381.26 Lacs.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

17. Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current borrowings		
Secured		
Term loan from banks (refer note (a) below)	15237.92	21910.18
Term loan from others		
- Interest free sales tax loan from a financial institution (refer note (b) below)	1092.45	3889.41
Unsecured		
Deferred payment liabilities		
- Deferred sales tax loan (refer note (c) below)	4.98	137.24
	16335.35	**25936.83**
Current borrowings		
Secured		
From bank		
- Working capital loan (refer note (e) below)	3366.15	3429.15
Term loan from banks		
- Current maturities	3546.02	4973.10
Term loan from others		
- Current maturities of interest free sales tax loan from a financial institution	2884.82	1107.53
	9796.99	**9509.78**
Unsecured		
Loans repayable on demand		
From banks		
- Working capital loan (refer note (d) below)	2503.19	5500.00
Deferred payment liabilities		
- Current maturities of deferred sales tax loan	132.26	88.07
	2635.45	**5588.07**
	12432.44	**15097.85**

(a) (i) During the previous year, the Company availed a term loan of INR 4500.00 lacs from Hongkong and Shanghai Banking Corporation Limited secured by way of exclusive charge on moveable assets identified. The outstanding of INR 3825.00 lacs was completely repaid during the year. The said loan carried an interest rate in the range of 6.00% p.a. during the year (31 March 2021: 6:00% p.a to 8.25% p.a.). Satisfaction of charges in respect of this loan has been filed with Registrar of Companies.

(ii) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 220.00 lacs by HIL International GmbH, Germany is repayable in 14 instalments of which 13 equal semi-annual instalments of Euro 15.00 lacs starting from 31 December 2018. Due to special repayments in FY 2021 of Euro 18.75 lacs the last installment of Euro 6.25 lacs is falling due on 30 June 2025. The loan carried an interest rate 1.80% p.a. during the year. The loan is secured by way of (a) first priority security over the issued share capital of Parador Holding GmbH subject to the Agreed Security Principles (b) mortgages over the Parador GmbH's real estate in Coesfeld, Germany of minimum Euro 100.00 lacs and Euro 70.00 lacs (c) pledge over all fixed assets of Parador GmbH (d) pledge over all current assets of Parador GmbH (excl. receivables which will be sold to Factoring but including pledge over the excess receivables of Factoring). As on 31 March 2020, deed of mortgages are already executed.

(iii) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 100.00 lacs by Parador GmbH, Germany is repayable on termination date on 30 June 2025. The loan carried an interest rate of 1.40% p.a. to 1.80% p.a. during the year. The loan is secured by way of (a) first priority security over the issued share capital of Parador Holding GmbH subject to the Agreed Security Principles (b) mortgages over the Parador GmbH's real estate in Coesfeld, Germany of minimum Euro 100.00 lacs and Euro 70.00 lacs (c) pledge over all fixed assets of Parador GmbH (d) pledge over all current assets of Parador GmbH (excluding receivables which will be sold to Factoring but including pledge over the excess receivables of Factoring). As on 31 March 2020, deed of mortgages are already executed.

(iv) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 11.55 lacs by Parkettwerke GmbH, Austria is repayable in 14 equal semi-annual instalments of Euro 0.83 lacs starting from 31 March 2019. The last installment is falling due on 30 September 2025. The loan carried an interest rate of 1.75% p.a. during the year. The loan is secured by way of guarantee of particular fixed assets for which loan was taken.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

17. Borrowings (Contd..)

(v) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 10.00 lacs by Parkettwerke GmbH, Austria is repayable in 16 equal semi-annual instalments of Euro 0.63 lacs starting from 31 December 2016. The last installment is falling due on 30 June 2024. The loan carried an interest rate of 1.85% p.a. during the year. The loan is secured by way of guarantee of Parador GmbH, Germany.

(vi) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 50.00 lacs by HIL International GmbH, Germany is repayable in 10 instalments of Euro 5.00 lacs starting from 30 June 2020. Due to special repayments in FY 2021 of Euro 6.25 lacs the last installment of Euro 3.75 lacs is falling due on 30 June 2024. The loan carried an interest rate 1.80% p.a. during the year. The loan is secured by way of (a) first priority security over the issued share capital of Parador Holding GmbH subject to the Agreed Security Principles (b) mortgages over the Parador GmbH's real estate in Coesfeld, Germany of minimum Euro 100.00 lacs and Euro 70.00 lacs (c) pledge over all fixed assets of Parador GmbH (d) pledge over all current assets of Parador GmbH (excluding receivables which will be sold to Factoring but including pledge over the excess receivables of Factoring). As on 31 March 2020, deed of mortgages are already executed.

(b) Represents interest free sales tax loan taken from a financial institution, is repayable after 7 years from the date of its respective disbursement. The last instalment is falling due in August 2024. As per the agreement, these loans are secured by way of first charge on its entire assets of Sathariya unit, first charge on plant and machinery of its Balasore unit and collateral security of Corporate office building of the Company located at Gachibowli, Hyderabad.

(c) Deferred sales tax loan was sanctioned towards the sales tax dues relating to Thimmapur unit. The loan is interest free and repayable on yearly basis having last instalment due in financial year 2023-24.

(d) The Company availed a working capital loan of INR 4500 lacs from The Federal Bank Limited. The loan is repayable on demand and carried an interest rate as linked to Repo Rate + spread which has been in the range of 4.00% p.a. to 4.25% p.a during the year (31 March 2021: 4.00% p.a. to 9.00% p.a.).

(e) A revolving loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG, amounting to Euro 40.00 lacs by Parkettwerke GmbH, Austria to facilitate exports and processes export guarantees. The Loan carried an interst rate of 1.55% p.a. during the year. The loan is secured by way of guarantee of Parador GmbH and a mortgage over Parkettwerke GmbH's real estate in Güssing, Austria of minimum Euro 25.00 lacs.

(f) The Group has not availed any specific borrowings during the year.

18. Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Lease liabilities (refer note 54)	1463.40	1589.05
	1463.40	**1589.05**
Current		
Lease liabilities (refer note 54)	1038.83	463.35
	1038.83	**463.35**

19. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 41)	1537.12	980.30
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 40 for payables to related parties)	35384.19	31067.75
	36921.31	**32048.05**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

19. Trade payables (Contd..)

Ageing from due date of payment :

Particulars	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1365.50	157.11	5.16	-	-	1527.77
(ii) Others	8615.27	20848.96	5562.49	142.94	20.45	188.32	35378.43
(iii) Disputed dues - MSME	-	-	-	9.35	-	-	9.35
(iv) Disputed dues - Others	-	-	-	-	-	5.76	5.76
As at 31 March 2022	**8615.27**	**22214.46**	**5719.60**	**157.45**	**20.45**	**194.08**	**36921.31**
(i) MSME	-	812.29	155.20	2.70	0.76	-	970.95
(ii) Others	9412.35	16824.38	4523.67	61.05	46.77	193.76	31061.98
(iii) Disputed dues - MSME	-	-	9.35	-	-	-	9.35
(iv) Disputed dues - Others	-	-	-	-	-	5.76	5.76
As at 31 March 2021	**9412.35**	**17636.67**	**4688.22**	**63.75**	**47.53**	**199.52**	**32048.04**

20. Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Interest accrued but not due on borrowings	-	4.57
Capital creditors	655.32	359.38
Unpaid dividend*	81.26	79.12
Sundry deposits	4335.68	4304.67
Derivative liabilities	32.67	29.10
Contract liability against performance obligation	1393.10	1492.39
Contract liability against payment	5416.13	3763.54
Other financial liabilities	4233.71	3182.11
	16147.87	**13214.88**

* Amount lying in unpaid / unclaimed dividend account shall be credited to Investor Education and Protection Fund as per the timelines prescribed under the Companies Act, 2013 with due approvals.

21. Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for employee benefits		
- Gratuity (refer note 36)	324.25	149.72
- Pension and other post-retirement benefits	2271.94	2533.45
- Other long-term employee benefit plans	529.07	655.14
- Compensated absences	687.24	682.65
	3812.50	**4020.96**
Current		
Provision for employee benefits		
- Pension	137.78	140.54
- Compensated absences	822.95	800.93
- Other long-term employee benefit plans	711.28	-
- Employee related other costs (refer note 42)	114.68	54.68
Other provisions		
- Provision for litigations (refer note 42)	307.25	348.58
- Provision for warranties (refer note 42)	925.69	1243.15
- Provision - others (refer note 42)	390.00	410.00
	3409.63	**2997.88**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

22. Other liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Government grant	112.73	197.27
	112.73	**197.27**
Current		
Statutory liabilities	1223.72	1786.17
Government grant	84.55	84.55
Other liabilities	1735.34	2058.78
	3043.61	**3929.50**

23. Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products		
Finished goods	336487.06	289844.60
Traded goods	13658.47	13411.91
Sale of services		
Service concession arrangements	216.40	171.06
Other operating revenues		
Scrap sales	1275.75	901.87
Liabilities no longer required, written back	385.83	27.87
	352023.51	**304357.31**
Refer note 35 for segment wise details.		
Reconciliation of revenue from sale of products with the contract prices		
Contracted price	367412.20	320964.98
Less: Discounts	17266.67	17708.48
	350145.53	**303256.50**

24. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend income on equity securities - at FVOCI- investment held at reporting date (refer note 7)	0.25	0.25
Dividend income on current investments - at FVTPL	0.01	0.02
Gain on sale of current investments, net	34.16	8.39
Interest income under the effective interest method on financial assets	155.56	194.75
Interest on income-tax refund	-	133.35
Rental income		
From investment property	483.61	545.55
From others	18.91	16.94
Net gain on sale of property, plant and equipment	726.07	-
Net gain on foreign currency transactions	67.05	685.42
Fair value gain on financial assets measured at fair value through profit and loss, net	671.58	2.87
Government grants	84.55	84.55
Miscellaneous income	802.76	140.30
	3044.51	**1812.39**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

25. Cost of raw materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory of materials at the beginning of the year	21576.80	28213.89
Add: Purchases during the year	210576.10	140225.64
Less: Inventory of materials at the end of the year	36781.62	21576.80
Adjustment for fluctuation in exchange rates	(455.73)	436.44
	194915.55	**147299.17**

26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchases of stock-in trade	**8218.65**	**7775.91**

27. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the beginning of the year		
Finished goods	21756.99	22969.72
Stock-in-trade	650.09	621.49
Work-in-progress	3709.21	4095.78
	26116.29	**27686.99**
Inventories at the end of the year		
Finished goods	27970.79	21756.99
Stock-in-trade	756.18	650.09
Work-in-progress	4776.36	3709.21
	33503.33	**26116.29**
Changes in inventories	(7387.04)	1570.70
Add: Stocks of finished goods out of trial run production	-	18.90
Adjustment for fluctuation in exchange rates	(354.45)	561.92
	(7741.49)	**2151.52**

28. Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	35053.00	33082.30
Contribution to provident and other funds (refer note 36)	5526.77	5137.31
Employee share based payment expense - equity settled (refer note 43)	71.43	149.17
Gratuity, pension and other post-retirement benefits expenses (refer note 36)	313.37	307.52
Staff welfare expenses	915.54	717.33
	41880.11	**39393.63**

29. Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expenses on long-term loans measured at amortised cost	489.17	1690.96
Interest expenses on working capital loans measured at amortised cost	115.90	485.51
Interest expenses on other financial liabilities measured at amortised cost	87.86	80.97
Interest expenses on lease liabilities	96.56	79.67
Interest expenses on income-tax	13.74	-
Interest expenses on others	457.66	447.16
	1260.89	**2784.27**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

30. Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 4)	9583.30	9238.02
Amortisation of intangible assets (refer note 6)	759.10	706.10
Depreciation on investment property (refer note 5)	30.37	30.37
Depreciation on right of use assets (refer note 4)	1257.17	921.57
	11629.94	**10896.06**

31. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	4427.14	3185.37
Power and fuel	10750.34	8689.29
Contract wages	6971.07	5882.82
Repairs and maintenance		
Plant and machinery (excluding stores and spares consumption)	3323.63	3077.95
Buildings	555.42	408.38
Others	1713.02	2447.05
Carriage outwards	27458.34	23469.45
Packing expenses	775.82	588.43
Rent	1413.14	1180.24
Rates and taxes	465.95	501.88
Insurance	716.07	689.20
Professional, consultancy and legal expenses	3343.25	2522.12
Advertisement and sales promotion	6125.32	6818.68
Travelling and conveyance	1713.38	1127.80
Commission on sales	1098.40	904.61
Directors' commission	120.00	120.00
Directors' fee	63.75	59.75
Donations	104.24	104.00
Royalty	1118.23	1700.30
Net loss on sale of property, plant and equipment	-	83.73
Provision for impairment of receivables, advances and other assets, net	(665.25)	(232.88)
Bad debt written off	650.49	255.24
Fair value loss on financial assets measured at fair value through profit and loss	-	158.83
Expenditure on corporate social responsibility (refer note 32)	291.15	308.49
Miscellaneous	3077.77	2768.19
	75610.67	**66818.92**

32. Details of corporate social responsibility expenditure

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Gross amount required to be spent by the Company during the year	290.10	235.98
b) Amount spent during the year (in cash) :		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	291.15	308.49
iii) Nature of CSR activities		
Eradicating hunger, poverty and malnutrition	72.00	0.49
Promoting education	204.26	8.00
Promoting gender equality	2.00	-
Environmental initiatives	7.89	-
Contribution to PM CARES fund	-	300.00
Disaster management	5.00	-
c) Related party transactions	-	-
d) Shortfall at the end of the year	-	-
e) Movements in provision of liability created	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

33. Discontinued operations

Refer accounting policy in note 3(v)

During the previous year, the Board of Directors at their meeting held on 16 January 2020 approved the sale and transfer of the Group's calcium silicate insulation products division operated under the brand "HYSIL" to Calderys India Refractories Limited through a slump sale arrangement on a going concern basis, subject to completion of certain conditions precedent set out in the Business Transfer Agreement ("BTA"). Accordingly, the sale and transfer of business was completed on 10 July 2020 with a purchase consideration of INR 7764 lacs as per the terms of BTA.

This division was classified as discontinuing operations in the earlier year. The statement of profit and loss has been represented to show the discontinued operations separately from continuing operations.

A. Results of discontinued operations

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Total Income		-	449.44
Expenses		-	371.63
Results from operating activities		**-**	**77.81**
Income-tax	34	-	19.83
Results from operating activities, net of tax		**-**	**57.98**
Profit on sale of discontinued operation		-	6056.14
Income-tax on gain on sale of discontinued operation		-	1563.86
Profit from discontinued operation		**-**	**4550.26**

The profit from discontinued operations of INR 4550.26 lacs and the profit from continuing operations of INR 21424.69 lacs, in the previous year, is attributable entirely to the owners of the Group.

B. Cash flows from discontinued operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net cash from operating activities	-	110.98
Net cash from investing activities	-	7766.47
Net cash used in financing activities	-	-
Net cash flows for the year	**-**	**7877.45**

C. Effect of disposal on the financial position of the Group

Particulars	As at 31 March 2022	As at 31 March 2021
I ASSETS		
Non-current assets		
(a) Property, plant and equipment	-	1169.98
(b) Financial assets		
(i) Loans	-	6.00
Current assets		
(a) Inventories	-	200.51
(b) Financial assets		
(i) Trade receivables	-	276.36
(ii) Other financial assets	-	2.06
TOTAL ASSETS	**-**	**1654.91**

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for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

33. Discontinued operations (Contd..)

C. Effect of disposal on the financial position of the Group (Contd..)

Particulars	As at 31 March 2022	As at 31 March 2021
II LIABILITIES		
Non-current liabilities		
(a) Provisions	-	(110.52)
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	(5.53)
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	(149.93)
(ii) Other financial liabilities	-	(13.96)
(b) Provisions	-	(21.34)
TOTAL LIABILITIES	-	**(301.28)**
III ASSETS NET OF LIABILITIES	-	**1353.63**
Consideration received, satisfied in cash	-	7763.64
Cash and cash equivalents disposed of	-	-
Expenses directly related to the sale of discontinued operations	-	(353.87)
IV NET CASH INFLOWS	-	**6056.14**

34. Income-tax

(A) Amount recognised in consolidated statement of profit and loss - Continuing operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax	8131.13	8422.16
Income-tax for earlier years	924.55	169.39
Deferred tax attributable to temporary differences	(587.73)	(852.00)
Tax expenses	**8467.95**	**7739.55**

Amount recognised in consolidated statement of profit and loss - Discontinued operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Tax expense	-	1583.69
Tax expense	-	**1583.69**

This has been included in determination of profit from discontinued operation net of tax (refer note 33).

(B) Amount recognised in other comprehensive income ("OCI")

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax related to items recognised in OCI		
Deferred tax (expense) / income on remeasurements of defined benefit plans	(21.34)	49.38
Deferred tax (expense) / income on fair value gain on investments in equity instruments through OCI	(0.59)	5.53
Deferred tax (expense) / income recognised in OCI	**(21.93)**	**54.91**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

34. Income-tax (Contd..)

(C) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	29293.70	35184.17
Enacted tax rate in India	25.17%	25.17%
Tax using the Company's domestic tax rate	7372.64	8855.15
Tax effect of:		
Differences in tax rates in foreign jurisdictions	273.13	637.94
Non-deductible tax expenses	154.62	(218.34)
Rate difference	(18.25)	(154.60)
Recognition of tax allowances	(616.31)	7.70
Change in estimate relating to earlier year	377.24	-
Others	22.26	(28.91)
	7565.33	**9098.94**
Adjustments in respect of income-tax for earlier years	924.55	169.39
Income-tax recognised in the consolidated statement of profit and loss	**8489.88**	**9268.33**

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

Particulars	31 March 2022	31 March 2021
Deferred tax liabilities		
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	13077.84	13225.99
Fair value gain on derivatives	181.72	181.73
Others	345.62	239.84
Total deferred tax liabilities (A)	**13605.18**	**13647.56**
Deferred tax assets		
Allowable for tax purposes on payment basis	2259.57	1565.27
Provision for doubtful trade receivables	495.58	623.02
Voluntary early retirement scheme	4.21	16.47
Others	1047.24	959.70
Total deferred tax assets (B)	**3806.60**	**3164.46**
Net deferred tax liability (A-B)	**9798.58**	**10483.10**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

34. Income-tax (Contd..)

(E) Movement in temporary differences:

Particulars	Balance as at 01 April 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	Recognised in share of profit of equity accounted investees	Foreign currency translation impact	Balance as at 31 March 2021	Recognised in profit or loss during 2021-22	Recognised in OCI during 2021-22	Recognised in share of profit of equity accounted investees	Foreign currency translation impact	Balance as at 31 March 2022
Deferred tax liabilities											
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	13493.60	(532.66)	-	-	265.05	13225.99	(9.12)	-	-	(139.03)	13077.84
Fair valuation gain in derivatives	168.65	13.66	-	-	(0.58)	181.73	(0.01)	-	-	-	181.72
Others	212.90	26.17	(5.53)	10.90	(4.60)	239.84	112.48	0.59	-	(7.29)	345.62
Total deferred tax liabilities (A)	**13875.15**	**(492.83)**	**(5.53)**	**10.90**	**259.87**	**13647.56**	**103.35**	**0.59**	**-**	**(146.32)**	**13605.18**
Deferred tax assets											
Allowable for tax purposes on payment basis	1642.62	(148.74)	-	-	71.39	1565.27	736.14	(35.18)	-	(6.66)	2259.57
Provision for doubtful trade receivables	671.94	(48.92)	-	-	-	623.02	(127.44)	-	-	-	495.58
Voluntary early retirement scheme	34.64	(18.01)	-	-	(0.16)	16.47	(12.31)	-	-	0.05	4.21
Others	404.60	563.94	49.38	-	(58.22)	959.70	86.94	13.84	7.75	(20.99)	1047.24
Total deferred tax assets (B)	**2753.80**	**348.27**	**49.38**	**-**	**13.01**	**3164.46**	**683.33**	**(21.34)**	**7.75**	**(27.60)**	**3806.60**
Net deferred tax (asset) / liability (A-B)	**11121.35**	**(841.10)**	**(54.91)**	**10.90**	**246.86**	**10483.10**	**(579.98)**	**21.93**	**(7.75)**	**(118.72)**	**9798.58**

TOGETHER, WE BUILD.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

35. Operating segments

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has four reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's CEO reviews internal management reports on regular basis.

The following summary describes the operations in each of the Group's reportable segments

Reportable segments	Operations
Roofing Solutions	Manufacturing and distributing Fibre Cement Sheets, Colour Coated Sheets and Non-asbestos Cement Sheets
Building Solutions	Manufacturing and distributing Fly Ash Blocks, Aerocon Panels and Dry-mix
Polymer Solutions	Manufacturing and distributing Pipes & Fittings and Wall Putty
Flooring Solutions	Manufacturing and distributing Laminate, Engineered and Resilient Flooring, Skirtings and Wall Panel products
Others	Wind Power, Material Handling and Processing Plant and Equipments

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Particulars	31 March 2022	31 March 2021
1 Segment revenue		
(Revenue / Income from segments)		
(a) Roofing solutions	104451.56	89440.23
(b) Building solutions	39998.68	27741.71
(c) Polymer solutions	52110.79	38423.03
(d) Flooring solutions	154903.53	148126.05
(e) Others	874.13	868.34
Total	**352338.69**	**304599.36**
Less: Inter segment revenue	315.18	242.05
Revenue / Income from continuing operations	**352023.51**	**304357.31**
Revenue / Income from discontinued operations (refer note 33)	**-**	**449.43**
Revenue / Income from continuing and discontinued operations	**352023.51**	**304806.74**
2 Segment results		
Profit before tax from segments		
(a) Roofing solutions	22512.88	20780.05
(b) Building solutions	2889.73	1554.10
(c) Polymer solutions	3473.69	2684.90
(d) Flooring solutions	5251.90	10675.26
(e) Others	521.70	346.09
Total	**34649.90**	**36040.40**
Less:		
i) Interest	182.65	1579.84
ii) Other un-allocable expenditure net-off un-allocable income	4955.13	5296.32
Total profit before tax from continuing operations	**29512.12**	**29164.24**
Total profit before tax from discontinued operations (refer note 33)	**-**	**6133.95**
Total profit before tax from continuing and discontinued operations	**29512.12**	**35298.19**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

35. Operating segments (Contd..)

B. Information about reportable segments

Particulars	31 March 2022	31 March 2021
3 Segment assets		
(a) Roofing solutions	41324.31	37000.23
(b) Building solutions	26835.68	22800.95
(c) Polymer solutions	31804.57	24999.87
(d) Flooring solutions	104816.01	107003.78
(e) Others	3989.88	3900.65
(f) Unallocated	13539.17	15642.22
Total assets - continuing operations	**222309.62**	**211347.70**
Total assets - discontinued operations (refer note 33)	**-**	**-**
Total assets - continuing and discontinued operations	**222309.62**	**211347.70**
4 Segment liabilities		
(a) Roofing solutions	18539.94	17312.04
(b) Building solutions	7463.06	6932.18
(c) Polymer Solutions	9525.03	6410.03
(d) Flooring Solutions	55367.63	59463.16
(e) Others	294.46	158.89
(f) Unallocated	14476.61	21544.66
Total liabilities - continuing operations	**105666.73**	**111820.96**
Total liabilities - discontinued operations (refer note 33)	**-**	**-**
Total liabilities - continuing and discontinued operations	**105666.73**	**111820.96**

C. Geographical information

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic market, regardless of where the goods were produced and segment assets presentation is based on the geographical location of the assets.

(i) Revenue from external customer

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
India	195148.56	155339.98
Europe and other countries	156874.95	149466.75
	352023.51	**304806.73**

(ii) Carrying amount of non-current assets (excluding derivative assets)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
India	64543.51	63958.37
Europe and other countries	55105.45	57755.13
	119648.96	**121713.50**

D. Major customer

Revenue from any customer of the Group's Roofing Solutions, Building Solutions, Polymer Solutions, Flooring Solutions and other segments does not exceed 10% of the total revenue reported and hence, the Management believes there are no major customers to be disclosed.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36. Employee benefits

The Group has the following post-employment benefit plans:

(a) Defined contribution plan*

The following amount has been recognised as an expense in consolidated statement of profit and loss on account of contribution to provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	31 March 2022	31 March 2021
Contribution to provident fund	5271.72	4983.80
Contribution to employees state insurance schemes	229.80	134.80
Contribution to superannuation fund	25.25	23.99
	5526.77	**5142.59**

*Including expense related to discontinued operations.

(b) Defined benefit plan

The Group has various employee benefit plans covering different categories of employees based on location of employment.

A. Gratuity plan of the Company

In accordance with the 'The Payment of Gratuity Act, 1972', the Company provides for Gratuity, the Employees' Gratuity Fund Scheme (the Gratuity Plan), covering eligible employees in India. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at the end of the year and are charged to the consolidated statement of profit and loss. This defined benefit plans expose the Company to actuarial risks, such as liquidity risk, interest rate risk, investment risk, etc.

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availabilty of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

The Gratuity plan managed by a trust is a defined benefit gratuity plan which is administered through Group Gratuity Scheme with Life Insurance Corporation of India ('LIC'). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The Company has determined that, in accordance with the terms and conditions of the gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan of the relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. As such, no decrease in the defined benefit asset is necessary at 31 March 2022 (31 March 2021: no decrease in defined benefit asset).

i. Reconciliation of the net defined benefit (asset) / liability

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss, the funded status and amount recognised in the consolidated balance sheet for the gratuity plan:

Particulars	31 March 2022	31 March 2021
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	2021.22	1965.01
Current service cost	233.88	212.34
Interest cost	135.32	126.05
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(28.90)	-
- change in financial assumptions	26.52	37.43
- experience variance (i.e. actual experience vs assumptions)	36.24	(74.07)
Benefits paid	(146.93)	(135.02)
Employees transferred through slump sale (refer note 33)	-	(110.52)
Balance at the end of the year	**2277.35**	**2021.22**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36. Employee benefits (Contd..)

(b) Defined benefit plan (Contd..)

i. Reconciliation of the net defined benefit (asset) / liability (Contd..)

Particulars	31 March 2022	31 March 2021
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	1871.50	1717.48
Interest income	125.29	114.99
Contributions paid into the plan	0.04	48.31
Benefits paid	(22.59)	(8.16)
Return on plan assets, excluding amount recognised in net interest expense	(21.14)	(1.12)
Balance at the end of the year	**1953.10**	**1871.50**
Net defined benefit liability recognised in consolidated balance sheet*	**324.25**	**149.72**
* Including liabilities directly associated with Disposal group (refer note 33).		
*Expense recognised in consolidated statement of profit and loss**		
Current service cost	233.88	212.34
Net Interest cost on the net defined benefit liability	10.02	11.06
	243.90	**223.40**
*Including expense related to discontinued operations.		
Remeasurements recognised in other comprehensive income		
Actuarial loss / (gain) on defined benefit obligation	33.86	(36.65)
Return on plan assets, excluding amount recognised in net interest expense	21.14	1.12
	55.00	**(35.53)**

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2022	31 March 2021
Fund managed by LIC	100%	100%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2022	31 March 2021
Discount rate	6.90%	6.70%
Future salary growth	11% for the next year and 8% thereafter	8.00%
Attrition rate	7.00%	5.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Group's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36. Employee benefits (Contd..)

(b) Defined benefit plan (Contd..)

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

	31 March 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	2129.14	2445.99	1863.13	2204.09
Effect of 1% change in the assumed salary growth rate	2441.92	2129.81	2199.94	1863.54
Effect of 0.5% change in the assumed attrition rate	2237.66	2331.99	1982.75	2071.03

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of INR 559.25 lacs to the plan for the next annual reporting period (31 March 2021: INR 378.27 lacs).

Maturity profile of the defined benefit obligation

Expected cash flows

Particulars	31 March 2022	31 March 2021
Within 1 year	411.54	215.54
2 to 5 years	904.24	786.44
6 to 10 years	935.19	849.81
More than 10 years	1875.24	2216.53

As at 31 March 2022, the weighted average duration of the defined benefit obligation was 7 years (31 March 2021: 8 years).

(c) Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

B. Other retirement benefit plans in subsidiary companies

In respect of subsidiary companies, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognised for obligations due to benefit plans for old age, invalidity, and surviving dependent's benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country. Benefits are usually based on the length of service and final salary of employees. The actuarial valuation of the present value of the defined benefit obligation has been carried out as at 31 March 2022 and 31 March 2021.

i. Reconciliation of the net defined benefit (asset) / liability

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss, the funded status and amount recognised in the consolidated balance sheet for the gratuity plan:

Particulars	31 March 2022	31 March 2021
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	2885.43	2673.71
Current service cost	45.88	48.29
Interest cost	25.78	39.36

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36. Employee benefits (Contd..)

B. Other retirement benefit plans in subsidiary companies (Contd..)

i. Reconciliation of the net defined benefit (asset) / liability (Contd..)

Particulars	31 March 2022	31 March 2021
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(0.49)	(0.69)
- change in financial assumptions	(177.81)	102.11
- experience variance (i.e. actual experience vs assumptions)	63.16	74.66
Benefits paid	(163.36)	(142.61)
Foreign exchange fluctuation	(47.16)	90.60
Balance at the end of the year	**2631.43**	**2885.43**
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	211.44	193.17
Interest income	2.20	3.53
Contributions paid into the plan	12.02	12.01
Return on plan assets, excluding amount recognised in net interest expense	0.35	(3.80)
Foreign exchange fluctuation	(4.30)	6.53
Balance at the end of the year	**221.71**	**211.44**
Net defined benefit liability recognised in consolidated balance sheet	**2409.72**	**2673.99**
Expense recognised in consolidated statement of profit and loss		
Current service cost	45.88	48.29
Net Interest cost on the net defined benefit liability / (assets)	23.59	35.84
	69.47	**84.13**
Remeasurements recognised in other comprehensive income		
Actuarial (gain) / loss on defined benefit obligation	(115.49)	167.04
Return on plan assets, excluding amount recognised in net interest expense	-	3.80
	(115.49)	**170.84**

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2022	31 March 2021
Fund managed by Neue Leben Lebensversicherungs AG for the fund created for liability of one of the subsidiary company	100%	100%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2022	31 March 2021
Discount rate	1.65%	0.70 to 1.00%
Future salary growth	0.00 to 3.10%	0.00 to 2.40%
Pension Increase rate	1.75%	1.75%
Attrition rate	6.51%	5.95%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Group's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36. Employee benefits (Contd..)

B. Other retirement benefit plans in subsidiary companies (Contd..)

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

	31 March 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Effect of 0.5% change in the assumed discount rate	-	-	2713.40	3076.02
Effect of 1% change in the assumed discount rate	1592.62	2006.03	-	-
Effect of 0.25% change in the assumed pension rate	-	-	2939.13	2834.02
Effect of 1% change in the assumed pension rate	1969.11	1617.13	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of INR 11.68 lacs to the plan for the next annual reporting period (31 March 2021: 11.47 lacs).

Maturity profile of the defined benefit obligation

Expected cash flows

Particulars	31 March 2022	31 March 2021
Within 1 year	137.78	140.54
2 to 5 years	605.36	468.27
More than 5 years	848.55	459.58
More than 10 years	1168.15	-

At 31 March 2022, the weighted average duration of defined benefit obligation was 11.69 years (31 March 2021: 12.66 years).

37. Earnings per share ("EPS")

Particulars	31 March 2022	31 March 2021
(a) Net profit attributable to the equity shareholders - Continuing operations	21044.17	21424.69
(b) Net profit attributable to the equity shareholders - Discontinued operations	-	4550.26
(c) Weighted average number of equity shares outstanding during the year	7501380	7487939
(d) Effect of potential equity shares on employee stock options outstanding	48933	25193
(e) Weighted average number of equity shares outstanding for computing diluted earnings per share [(c) + (d)]	7550313	7513132
(f) Nominal value of equity shares (in INR)	10.00	10.00
Continuing Operations		
(g) Basic earnings per share (in INR) [(a)/(c)]	280.54	286.12
(h) Diluted earnings per share (in INR) [(a)/(e)]	278.72	285.16
Discontinued Operations		
(i) Basic earnings per share (in INR) [(b)/(c)]	-	60.77
(j) Diluted earnings per share (in INR) [(b)/(e)]	-	60.56
Continuing and Discontinued Operations		
(k) Basic earnings per share (in INR) [(a+b)/(c)]	280.54	346.89
(l) Diluted earnings per share (in INR) [(a+b)/(e)]	278.72	345.72

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38. Capital commitments

Particulars	31 March 2022	31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	2869.92	631.08

39. Contingent liabilities

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

Particulars		31 March 2022	31 March 2021
(a)	Demand raised by the Income-tax authorities, being disputed by the Group*	1873.04	803.61
(b)	Demands raised by sales tax authorities, being disputed by the Group**	1953.45	2258.15
(c)	Demands (including penalties) raised by excise authorities, being disputed by the Group***	689.21	731.58
(d)	Appeal filed by the Group before the High Court of Judicature of Andhra Pradesh against the decision of appeal in favour of the Income-tax department pertaining to wealth tax matter.	56.98	56.98
(e)	Pending cases with High Court where Income-tax department has preferred appeals	1535.22	1467.69
(f)	Demand for property tax, being disputed by the Group	1083.00	252.15
(g)	Other claims against the group not acknowledged as debts ****	286.64	286.64

(h) There are other civil matters against the Company of which one such case is pertaining to certain mining activity performed by the Company in the past. The National Green Tribunal ("NGT"), New Delhi, disposed off the above case in the earlier year, directing that the restoration of mine to be carried out by State of Jharkhand; and filing of claims by the victims before the District Judge, Chaibasa for adjudication. Aggrieved by some of the findings in the aforesaid Orders and subsequent Orders passed by NGT, the Company filed a Civil Appeal before the Honourable Supreme Court of India. The Honourable Supreme Court of India directed to issue notice to the other parties and maintain Status Quo in the meantime. During the previous year, the District Mining Officer, Chaibasa, has sought payment of environment compensation of INR 1344 lacs from the Company which is in wilful disobedience of the aforesaid order passed by the Honourable Supreme Court. The Company has responded accordingly. In view of the aforesaid Status Quo Order, the further proceedings before NGT are being adjourned from time to time. Management believes that the final outcome of the above matter is not expected to be material on the financial statements.

* Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, depreciation expenses on wind mill, other expenses not allowed.

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

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

**** Other claims against the Group not acknowledged as debt mainly includes liability towards fuel surcharge adjustment disputed with electricity board for the financial year 2008-09 and 2009-10.

The Group is contesting the demands and the Management believe that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in the consolidated financial statements for the demand raised / show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the Group's consolidated financial statements.

B. On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Group has made a provision for provident fund contribution based on the best estimate during the earlier year. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

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40. Related parties

A. List of related parties and nature of relationship

Name of the related party	Nature of relationship	Country	% of Holding as at	
			31 March 2022	31 March 2021
Supercor Industries Limited (refer note 46)	Joint venture	Nigeria	33%	33%
Parador (Shanghai) Trading Co., Limited (refer note 46)	Joint venture	China	50%	50%

Name of the related party	Nature of relationship
Key Management personnel	
Mr. Dhirup Roy Choudhary	Managing Director and Chief Executive Officer ("CEO")
Mr. KR Veerappan	Chief Financial Officer
Mr. G Manikandan	Company Secretary and Financial Controller (resigned w.e.f. 13 August 2020)
Mr. Ashish Malhotra	Company Secretary and Head - Legal (joined on 14 August 2020, resigned w.e.f 30 September 2020)
Mr. Mahesh Thakar	Company Secretary and Head - Legal (joined on 02 February 2021)
Non-Executive Directors and Independent Directors	
Mr. CK Birla	Chairman (Non-Executive Director)
Mr. Desh Deepak Khetrapal	Non-Executive Director
Mrs. Gauri Rasgotra	Independent Director
Mr. V.V. Ranganathan	Independent Director
Dr. Arvind Sahay	Independent Director
List of other related parties with whom there are transactions	
Birla Buildings Limited	
CK Birla Corporate Services Limited	
GMMCO Limited	
National Engineering Industries Limited	
Orient Cement Limited	
Orient Electric Limited	
Orient Paper and Industries Limited	
CK Birla Healthcare Private Limited	

B. Transactions with related parties

Related party	Nature of transactions	31 March 2022	31 March 2021
Non-Executive Directors and Independent Directors	Sitting fees and commission	183.75	179.75
Managing Director and Chief Executive Officer	Managerial remuneration**		
	- Remuneration*	458.85	399.87
	- Perquisite value of ESOPs exercised during the year	815.95	88.90
	- Long term incentives	352.90	-
	Consultancy charges	146.07	-
Chief Financial Officer	Salaries*	209.90	197.91
	Long term incentives	108.37	-
	Salary advance given	20.00	-
	Salary advance refund	20.00	-
Company Secretary	Salaries*	70.89	71.77
GMMCO Limited	Purchase of goods	9.45	244.46
	Purchase of services	9.08	17.38
National Engineering Industries Limited	Rent paid	86.50	93.87
	Reimbursements	12.12	2.63

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for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

40. Related parties (Contd..)

B. Transactions with related parties (Contd..)

Related party	Nature of transactions	31 March 2022	31 March 2021
Birla Buildings Limited	Rent paid	0.44	29.68
	Rent received	0.04	-
	Purchase of services	31.59	-
	Reimbursements	12.03	10.03
	Dividend received	0.25	0.25
CK Birla Corporate Services Limited	Professional services	574.46	436.32
	Brand usage	109.95	87.96
	Reimbursements	15.54	3.62
Orient Paper and Industries Limited	Rent received	66.04	66.04
	Sales of finished goods	2.97	-
	Dividend paid	407.86	226.59
Orient Cement Limited	Rent received	81.84	81.84
	Sales of finished goods	2.48	0.38
CK Birla Healthcare Private Limited	Purchase of services	12.71	-

C. Balances outstanding

Related party	Details	31 March 2022	31 March 2021
Supercor Industries Limited, Nigeria	Dividend receivable on investments#	9.01	9.01
Non-Executive Directors and Independent Directors	Commission	120.00	120.00
Managing Director and Chief Executive Officer	Managerial remuneration**		
	- Remuneration*	69.39	88.00
	- Long term incentives	352.90	-
Chief Financial Officer	Salaries*	31.59	42.25
	Long term incentive	108.37	-
Company Secretary	Salaries*	10.81	3.80
GMMCO Limited	Trade payable	0.34	0.16
Birla Buildings Limited	Rent payable	0.63	0.12
CK Birla Corporate Services Limited	Trade payables	166.18	127.53
National Engineering Industries Limited	Rent payable	0.09	0.09

#During earlier year, the Group made provision for the dividend receivable amounting to INR 9.01 lacs from Supercor Industries Limited ("Supercor") as the receipt of same is considered to be doubtful. Further, the Group has also made provision for value of investment in Supercor in the books of account amounting to INR 142.60 lacs.

*As the future liabilities for gratuity, compensated absences and other long-term employee benefit plans are provided on an actuarial basis and payment of insurance costs are made for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above.

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

**The remuneration paid / payable by the Company to its Managing Director and Chief Executive Officer during the current year is INR 1627.70 lacs. The limit on such remuneration prescribed under Section 197 read with Schedule V to the Companies Act, 2013 ("the Act") is INR 1205.63 lacs. The excess remuneration is primarily attributable to the value of perquisites relating to employee stock options exercised by the Managing Director and Chief Executive Officer during the current year. The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for the same by way of special resolution in accordance with the requirements of the Act, in addition to ratification of appointment as per Section 196(4) of the Act. As per management's assessment the approval from shareholders for excess remuneration is probable.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

41. Details of dues to Micro Enterprises and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information as required under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Particulars	31 March 2022	31 March 2021
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [(including INR 97.42 lacs shown under capital creditors (31 March 2021: INR 71.69 lacs).	1634.54	1051.99
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
(c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	Nil	Nil

42. Other provisions

Particulars	Opening balance	Created during the year	Utilised during the year	Exchange differences on translation of foreign operations	Closing balance
(i) For the year 2021-22					
Provision for employee related other costs [refer note (a) below]	54.68	94.48	33.95	0.53	114.68
Provision for litigations [refer note (b) below]	348.58	-	41.33	-	307.25
Provision - others [refer note (c) below]	410.00	-	20.00	-	390.00
Provision for warranties [refer note (d) below]	1243.15	1112.48	1415.70	14.24	925.69
	2056.41	**1206.96**	**1510.98**	**14.77**	**1737.62**
(ii) For the year 2020-21					
Provision for employee related other costs [refer note (a) below]	-	54.68	-	-	54.68
Provision for litigations [refer note (b) below]	357.95	-	9.37	-	348.58
Provision - others [refer note (c) below]	450.69	20.00	60.69	-	410.00
Provision for warranties [refer note (d) below]	931.29	764.98	482.38	29.26	1243.15
	1739.93	**839.66**	**552.44**	**29.26**	**2056.41**

(a) The wage agreement at two of the manufacturing locations (31 March 2021: at five) of the Group are pending as at 31 March 2022. It also includes provision for other short-term employee payables.

(b) Provision for litigations represents provision towards potential liability against various ongoing indirect tax cases based on Group's internal assessment.

(c) Provision - others represents provision towards possible obligation against certain past events for which the expected outflow is certain.

(d) Provision for warranties represents provision towards possible replacements to the customers within the agreed warranty period.

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for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

43. Share based payments

A. Description of share-based payment arrangements

Employee stock option scheme (equity-settled)

The Group provides share-based payment schemes to its eligible employees as identified in the employee stock option schemes. The relevant details of these schemes and grants are as below:

On 12 May 2015, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2015 (ESOP scheme 2015) for issue of stock options to identified employees of the Group.

On 12 August 2019, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2019 (ESOP scheme 2019) for issue of stock options to identified employees of the Group.

According to the scheme, eligible employees identified by the Nomination and Remuneration cum Compensation Committee are entitled to options, subject to satisfaction of the prescribed vesting conditions. The relevant terms of the grant as mentioned in the ESOP scheme 2015 and ESOP scheme 2019 are as below:

Particulars	ESOP scheme 2019	ESOP scheme 2015	
	Grant I	Grant I	Grant II
Date of grant	14 October 2019	17 August 2015	27 July 2017
Number of options outstanding	70411	-	-
Vesting period	40% - end of year 3 60% - end of year 4	40% - end of year 3 60% - end of year 4	40% - end of year 3 60% - end of year 4
Exercise period	4 years from the respective dates of vesting	4 years from the respective dates of vesting	4 years from the respective dates of vesting
Exercise price (INR)	1234.15	620.00	620.00
Weighted average market price (INR)	1234.15	789.59	1091.02

B. Measurement of fair values

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

As at 31 March 2022 and 31 March 2021

	ESOP scheme 2015			
	Grant I		Grant II	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Grant date	17 August 2015		27 July 2017	
Fair value at grant date (INR)	341.69	341.69	563.45	563.45
Exercise price (INR)	620.00	620.00	620.00	620.00
Expected volatility (weighted average volatility)	34.32%	37.84%	33.04%	33.67%
Risk-free interest rate (based on government bonds)	7.43%	7.43%	6.41%	6.41%
Time to maturity (in years)	6.00	7.00	6.00	7.00
Expected dividends yields	3.02%	3.02%	2.50%	2.50%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

43 Share based payments (Contd..)

	ESOP scheme 2019	
	Grant I	
	Tranche 1	Tranche 2
Grant date	**14 October 2019**	
Fair value at grant date (INR)	470.38	470.38
Exercise price (INR)	1234.15	1234.15
Expected volatility (weighted average volatility)	37.62%	37.89%
Risk-free interest rate (based on government bonds)	6.32%	6.56%
Time to maturity (in years)	5.00	6.00
Expected dividends yields	2.05%	2.05%

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The weighted average remaining contractual life for the stock options outstanding is 5.14 years (31 March 2021: 6.13 years).

C. Reconciliation of outstanding share options

The details of activity under "ESOP scheme 2015 and ESOP scheme 2019" are summarised below:

Particulars	31 March 2022 No. of options	31 March 2021 No. of options
Outstanding at the beginning of the year	108227	130967
Granted during the year	-	-
Cancelled during the year*	16456	8500
Vested and exercised during the year	21360	14240
Outstanding at the end of the year	70411	108227

*cancelled stock options lies in pool account for future grants.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2022 was INR 4440.00 (31 March 2021: INR 1244.29).

D. Expense recognised in the consolidated statement of profit and loss

For details on the employee benefits expense, refer note 28.

44. Particulars of hedged foreign currency exposure as at the balance sheet date

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

Particulars	Currency	Number of contracts	Amount in foreign currency	Purpose
As at 31 March 2022	USD	43	10565474	For hedging of current and future trade payables
	USD	3	1013000	For hedging of loan and interest receivables
	EUR	18	8678037	For hedging of loan receivables
	EUR/USD	1	845000	For hedging of loan and interest receivables
As at 31 March 2021	USD	35	11137717	For hedging of trade payables
	USD	4	2013000	For hedging of loan and interest receivables
	EUR	18	8678037	For hedging of loan and interest receivables

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45. Service concession arrangement

On 21 March 2011, the Company entered into a service concession agreement with Gujarat Urja Vikas Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 18 April 2011. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 1.8 MW wind power plant at village Vandhiya, Gujarat for a period of 25 years at a fixed rate of INR 3.56 per kwh for delivered energy as certified by state electricity authority of Gujarat state load dispatch center ("SLDC"), starting from 18 April 2011 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

On 24 September 2014, the Company entered into a service concession agreement with Ajmer Vidyut Vitran Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 30 September 2014. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 2 MW wind power plant at village Rajgarh, district Jaisalmer for a period of 25 years at a fixed rate of INR 5.31 per kwh for the delivered energy conforming the standards as approved by Rajasthan Electricity Regulatory Commission ("RERC"), starting from 30 September 2014 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

The Company recognised service concession arrangement with Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited under intangible asset model, on the basis that the Company will receive variable amount of revenue from the respective discoms in Gujarat and Rajasthan depending upon the actual amount of electricity generated and supplied to the respective discoms. The DISCOMs has not assured any minimum amount of proceeds to the Company. The Company bears the demand risk and the right to receive cash from the DISCOMs is not unconditional i.e. it depends upon the actual amount of electricity generated and supplied to the DISCOMs.

The service concession agreements with the Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited does not contain a renewal option. The standard rights of the grantor to terminate the agreement in both the arrangements include poor performance by the Company and the event of a material breach of the terms of the agreement by the Company. The standard rights of the Company to terminate the agreement in both the arrangements include failure of the grantor to make payment under the agreement and a material breach by the grantor of the terms of the agreement.

During the year, the Company has recorded revenue of INR 216.40 lacs (31 March 2021: INR 171.06 lacs) on generation of power, and recorded profit of INR 67.30 lacs (31 March 2021: INR 41.62 lacs).

46. Equity accounted investees

Interest in joint venture

The Group's interest in a joint venture company is as follows:

Particulars	31 March 2022	31 March 2021
Investment in equity instruments - unquoted- at cost less provision for other than temporary impairment		
Supercor Industries Limited, Nigeria: 4125000 equity shares of Naira 1 each fully paid (31 March 2021 : 4125000 equity shares of Naira 1 each fully paid)	142.60	142.60
Less: Provision for investment in joint venture	(142.60)	(142.60)
Parador (Shanghai) Trading Co., Ltd., China: One share of 100000 Euro each (31 March 2021 : One share of 100000 Euro each)	294.45	232.79
	294.45	**232.79**
Aggregate amount of unquoted non-current investments	437.05	375.39
Aggregate amount of provision for impairment in value of non-current investments	142.60	142.60

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for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

46. Equity accounted investees (Contd..)

Name of the joint venture company	Country of incorporation	Proportion of ownership interest	For the year ended on	Description of Interest
Supercor Industries Limited (refer note (a) below)	Nigeria	33%	31 December 2021	JV established for manufacture of asbestos cement sheets
Parador (Shanghai) Trading Co., Ltd	China	50%	31 March 2022	JV established for trading of Flooring Solutions products

The following table summarises the financial information of Parador (Shanghai) Trading Co., Ltd. and the carrying amount of the Group's interest in Parador (Shanghai) Trading Co., Ltd. for the reporting years:

Particulars	31 March 2022	31 March 2021
Parador (Shanghai) Trading Co., Ltd.		
Percentage of ownership interest	50%	50%
Non-current assets	58.92	39.99
Current assets	1835.26	1398.71
Non-current liabilities	-	-
Current liabilities	(1246.70)	(932.74)
Net Assets	**647.48**	**505.96**
Group's share	323.74	252.99
Unrealised profit eliminations	(29.29)	(20.20)
Group's share of net assets (50%)	**294.45**	**232.79**
Carrying amount of interest in joint venture	**294.45**	**232.79**
Group's share of profit / (loss)	218.42	114.02
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	**218.42**	**114.02**

During the year ended 31 March 2022, the Group has received net dividends amounting to INR 144.37 lacs (31 March 2021: INR 14.25 lacs) from the joint venture with Parador (Shanghai) Trading Co., Ltd.

Note:

a) The Group in financial year 1979-80 had invested in Supercor Industries Limited, Nigeria ("Supercor"). Supercor suspended its operations from November 2015 and closed its offices because of which it has not prepared any financial statements since then. Therefore, the Group has been unable to incorporate the requisite financial information, if any, of Supercor in its consolidated financial statements as required under Section 129(3) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Group's investment in Supercor as at 31 March 2022 amounts to INR NIL (31 March 2021: INR NIL), after considering the provision for diminution in value of investments amounting to INR 142.60 lacs (31 March 2021: INR 142.60 lacs). During the period, on the basis of the request filed by the Group, an intimation was received from Reserve Bank of India for suspension of the Unique Identification Number allotted to Supercor. The Management does not foresee any future liability on account of any claim, with respect to Supercor over and above the amount invested in Supercor.

47. Leases - In the capacity of lessor

The Group has given certain properties under non-cancellable operating leases to various parties. Following are the details of future minimum lease payments under the agreements:

Particulars	31 March 2022	31 March 2021
Not later than one year	194.39	378.35
Later than one year and not later than five years	21.00	215.39
Later than five years	-	-

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48. Capital management

The Group aims to maintain a strong capital base so as to maintain the confidence of all stakeholders and to sustain future development of the business.

In order to maintain the capital structure, the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as going concern and to optimise returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves and debt represents non-current and current borrowings.

The Group's total debt to equity ratio at the reporting dates were as follows:

Particulars	31 March 2022	31 March 2021
Total debt	28767.79	41034.68
Total debt (A)	**28767.79**	**41034.68**
Total equity	116642.89	99526.74
Total equity (B)	**116642.89**	**99526.74**
Total debt to total equity ratio (A/B)	**0.25**	**0.41**

49. Expenditure incurred on research and development

Revenue expenditure debited to respective heads of accounts includes expenditure incurred on Research and Development during the year amounting to INR 525.38 lacs (31 March 2021: INR 443.60 lacs) and assets / equipment purchased for research activities of INR 85.98 lacs (31 March 2021: INR 23.49 lacs) disclosed under Property, plant and equipment.

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

Particulars	31 March 2022	31 March 2021
Balance brought forward (A)	**6.00**	**42.76**
Expenditure incurred during the year		
Cost of material consumed	1.59	29.45
Employee benefits expense	1.48	16.60
Consumption of stores and spares	-	1.68
Contract wages	2.65	6.77
Power and fuel	0.39	10.78
Rates and taxes	3.83	-
Insurance	-	0.38
Professional, consultancy and legal expenses	5.92	33.06
Travelling and conveyance	4.89	3.45
Miscellaneous	1.79	6.20
Total expenditure during construction period (B)	**22.54**	**108.37**
Less: Turnover (C)	-	21.59
Less : Stocks of finished goods out of trial run production (D)	-	18.90
Total (A+B-C-D)	**28.54**	**110.64**
Allocated to property, plant and equipment	8.04	104.64
Balance carried forward	**20.50**	**6.00**

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51. Impact of COVID - 19

The Group has considered internal and external sources of information up to the date of approval of the above financial results in evaluating the possible impact that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, goodwill, other intangible assets, inventories, receivables, investments and other financial assets. The Group has applied prudence in arriving at the estimates and assumptions and also performed sensitivity analysis on the assumptions used. The Group is confident about the recoverability of these assets. However, the impact of the global health pandemic may be different from that estimated as at the date of approval of the above financial results. Considering the continuing uncertainties, the Group will continue to closely monitor any material changes to future economic conditions.

52. The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 31 October 2022, as required by law. The Management confirms that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

53. The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

54. Leases - In the capacity of lessee

The following tables summarise the movement in lease liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	2052.40	1773.92
Additions	1654.37	1609.31
Interest expenses*	96.56	79.79
Deletions	-	(164.64)
Repayment of principal & interest lease liabilities	(1265.42)	(1300.17)
Exchange differences on translation of foreign operations	(35.68)	54.19
Balance at the end	**2502.23**	**2052.40**

*Including expense related to discontinued operations.

As at balance sheet date, the Group is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Group has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Group has incurred following expenses relating to short-term leases for which the recognition exemption has been applied (refer note 31).

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Expenses relating to short term leases* (refer note 31)	1413.14	1180.31
Expenses relating to low value leases	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

54. Leases - In the capacity of lessee (Contd..)

The following are the amounts recognised in consolidated statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Right-of-use assets*	1257.17	922.02
Interest expenses*	96.56	79.79
	1353.73	**1001.81**

*Including expense related to discontinued operations.

Amounts recognised in Statement of Cashflows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Repayment of principal & interest lease liabilities	1265.42	1300.17
	1265.42	**1300.17**

The total minimum lease payments are as follows:

Particulars	31 March 2022	31 March 2021
Not later than 1 year	1116.36	880.53
Later than 1 year and not later than 5 years	1266.79	1064.95
More than 5 years	1445.49	658.08

55. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

31 March 2022

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
HIL Limited	88.32%	103023.05	88.30%	18582.82	5.18%	(39.16)	91.40%	18543.66
Subsidiary								
HIL International GmbH	35.12%	40966.08	11.66%	2453.31	94.21%	(712.17)	8.58%	1741.14
Adjustment arising out of consolidation	-23.44%	(27346.24)	0.04%	8.04	0.61%	(4.63)	0.02%	3.41
Total	**100.00%**	**116642.89**	**100.00%**	**21044.17**	**100.00%**	**(755.96)**	**100.00%**	**20288.21**

31 March 2021

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
HIL Limited	88.07%	87651.49	72.28%	18774.76	0.87%	7.96	69.85%	18782.72
Subsidiary								
HIL International GmbH	39.41%	39224.89	27.77%	7213.84	97.14%	887.57	30.13%	8101.40
Adjustment arising out of consolidation	-27.48%	(27349.64)	-0.05%	(13.65)	1.99%	18.20	0.02%	4.56
Total	**100.00%**	**99526.74**	**100.00%**	**25974.95**	**100.00%**	**913.73**	**100.00%**	**26888.68**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56. Financial instruments - fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2022

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	9 and 10	1557.60	-	-	-	1557.60	-	1557.60	-	1557.60
Investments in equity instruments	7	-	34.62	-	-	34.62	-	-	34.62	34.62
		1557.60	**34.62**	**-**	**-**	**1592.22**	**-**	**1557.60**	**34.62**	**1592.22**
Financial assets not measured at fair value										
Trade receivables	8	-	-	10981.37	-	10981.37				
Other financial assets	9 and 10	-	-	6050.38	-	6050.38				
Cash and cash equivalents	13	-	-	6213.88	-	6213.88				
Other bank balances	14	-	-	1129.55	-	1129.55				
		-	**-**	**24375.18**	**-**	**24375.18**				
Financial liabilities measured at fair value										
Derivative liabilities	20	32.67	-	-	-	32.67	-	32.67	-	32.67
		32.67	**-**	**-**	**-**	**32.67**	**-**	**32.67**	**-**	**32.67**
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	28767.79	28767.79				
Lease liabilities	18	-	-	-	2502.23	2502.23				
Trade payables	19	-	-	-	36921.31	36921.31				
Other financial liabilities	20	-	-	-	16115.20	16115.20				
		-	**-**	**-**	**84306.53**	**84306.53**				

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

31 March 2021

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	9 and 10	882.45	-	-	-	882.45	-	882.45	-	882.45
Investments in mutual funds	7	3002.72	-	-	-	3002.72	3002.72	-	-	3002.72
Investments in equity instruments	7	-	32.04	-	-	32.04	-	-	32.04	32.04
		3885.17	**32.04**	**-**	**-**	**3917.21**	**3002.72**	**882.45**	**32.04**	**3917.21**
Financial assets not measured at fair value										
Trade receivables	8	-	-	9653.48	-	9653.48				
Other financial assets	9 and 10	-	-	8946.56	-	8946.56				
Cash and cash equivalents	13	-	-	12691.39	-	12691.39				
Other bank balances	14	-	-	323.28	-	323.28				
		-	**-**	**31614.71**	**-**	**31614.71**				

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56. Financial instruments - fair values and risk management (Contd..)

A. Accounting classifications and fair values (Contd..)

31 March 2021 (Contd..)

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value										
Derivative liabilities	20	29.10	-	-	-	29.10	-	29.10	-	29.10
		29.10	**-**	**-**	**-**	**29.10**	**-**	**29.10**	**-**	**29.10**
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	41034.68	41034.68				
Lease liabilities	18	-	-	-	2052.40	2052.40				
Trade payables	19	-	-	-	32048.05	32048.05				
Other financial liabilities	20	-	-	-	13185.78	13185.78				
		-	**-**	**-**	**88320.91**	**88320.91**				

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments

Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

Derivative assets / liabilities: The fair value is determined using forward exchange rates at the reporting date.

Investment in equity instruments: The fair value is determined based on the average of value determined as per discounted cash flows approach and intrinsic value per share as on the reporting date.

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2021-22 and no transfers in either direction in 2020-21.

iii. Level 3 fair values

Particulars	FVOCI Equity securities
Balance at 01 April 2020	56.17
Net change in fair value (unrealised)	(24.13)
Balance at 31 March 2021	**32.04**
Balance at 01 April 2021	32.04
Net change in fair value (unrealised)	2.58
Balance at 31 March 2022	**34.62**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56. Financial instruments - fair values and risk management (Contd..)

B. Measurement of fair values (Contd..)

iii. Level 3 fair values (Contd..)

Sensitivity analysis

For the fair values of FVOCI equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

	OCI, net of tax	
	Increase	**Decrease**
2021-22		
Annual growth rate (2.5% movement)	157.48	(13.66)
2020-21		
Annual growth rate (2.5% movement)	14.50	(6.83)

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

a) Liquidity risk

b) Market risk

c) Credit risk

Risk management framework

The Board of Directors of the Company have overall responsibility for the establishment and deployment of risk management framework. The Board of Directors have adopted a Risk Policy, which empowers the management to access and monitoring the risk management parameters along with action taken and the same is updated to Board of Directors.

The Group's risk management policies are established to identify and analyse the risks being faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee of the Company oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

a) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts reflect the principal amounts that are gross and undiscounted, and exclude the impact of netting agreements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56. Financial instruments - fair values and risk management (Contd..)

C. Financial risk management (Contd..)

31 March 2022

Particulars	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	3977.27	4240.63	2884.82	-	1355.81	-
Sales tax deferment loan - unsecured	137.24	137.24	132.26	4.98	-	-
Term loan from bank	18783.94	18783.94	3546.02	3610.19	11627.73	-
Working capital loan	5869.34	5869.34	5869.34	-	-	-
Trade payables	36921.31	36921.31	36921.31	-	-	-
Capital creditors	655.32	655.32	655.32	-	-	-
Unpaid dividend	81.26	81.26	81.26	-	-	-
Security deposits	4335.68	4335.68	4335.68	-	-	-
Contract liabilities	6809.23	6809.23	6809.23	-	-	-
Other financial liabilities	4233.71	4233.71	4233.71	-	-	-
	81804.30	**82067.66**	**65468.95**	**3615.17**	**12983.54**	**-**
Derivative financial liabilities						
Derivative liabilities	32.67	32.67	32.67	-	-	-
	32.67	**32.67**	**32.67**	**-**	**-**	**-**

31 March 2021

Particulars	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	4996.94	5348.17	1107.53	2884.82	1355.82	-
Sales tax deferment loan - unsecured	225.31	225.31	88.07	137.24	-	-
Term loan from Bank	26883.28	26883.28	4497.03	4515.85	17870.40	-
Working capital loan	8929.15	8929.15	8929.15	-	-	-
Trade payables	32048.05	32048.05	32048.05	-	-	-
Interest accrued	4.57	4.57	4.57	-	-	-
Capital creditors	359.38	359.38	359.38	-	-	-
Unpaid dividend	79.12	79.12	79.12	-	-	-
Security deposits	4304.67	4304.67	4304.67	-	-	-
Contract liabilities	5255.93	5255.93	5255.93	-	-	-
Other financial liabilities	3182.11	3182.11	3182.11	-	-	-
	86268.51	**86619.74**	**59855.61**	**7537.91**	**19226.22**	**-**
Derivative financial liabilities						
Derivative liabilities	29.10	29.10	29.10	-	-	-
	29.10	**29.10**	**29.10**	**-**	**-**	**-**

b) Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives to manage market risks.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56. Financial instruments - fair values and risk management (Contd..)

C. Financial risk management (Contd..)

b) Market risk (Contd..)

a) Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currency for Company is INR. The currencies in which these transactions are primarily denominated is US dollars, Euros, Swedish Krona, Pounds etc. The Group does not enter into any derivative instruments for trading or speculative purposes.

Currency risks related to the principal amounts of the Group's US dollar trade payables, taken out by the Group, have been partially hedged using forward contracts that mature on or before the dates as the payables are due for repayment. These contracts are designated as derivatives.

Generally, borrowings are denominated in currencies that matter the cash flows generated by the underlying operations of the Group. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore, hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary of data about the Group's exposure to unhedged currency risk (based on notional amounts) as reported to the management is as follows (including intercompany balances):

Particulars	Currency	As at 31 March 2022			As at 31 March 2021		
		Value in foreign currency	Exchange rate	Amount INR in lacs	Value in foreign currency	Exchange rate	Amount INR in lacs
Trade payables	USD	(2763362)	75.11	(2075.45)	(2044163)	71.28	(1457.04)
	EUR	(13730)	84.15	(11.55)	(22661)	85.73	(19.43)
	SEK	17462	8.29	1.45	(2033480)	8.41	(171.08)
	CHF	(14279)	81.42	(11.63)	(17)	77.31	(0.01)
	DKK	(55927)	11.31	(6.33)	(27828)	11.53	(3.21)
	GBP	2586	99.51	2.57	6180	102.31	6.32
	PLN	(2475)	18.07	(0.45)	(2781)	18.40	(0.51)
	NOK	-	-	-	(1010)	8.59	(0.09)
Trade receivables	USD	276742	75.11	207.85	243481	73.12	178.03
	EUR	-	-	-	7818	85.73	6.70
	GBP	166942	99.51	166.12	69415	97.92	67.97
	SEK	7232138	8.29	599.44	5561105	8.47	471.15
	CHF	263369	81.42	214.43	270435	78.12	211.27
Interest accrued on loan to subsidiaries	EUR	547484	84.15	460.73	210411	85.73	180.38
Cash and bank balances	USD	454374	75.11	341.26	1871682	73.07	1367.69
	GBP	55480	99.51	55.21	96692	100.61	97.28

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, US dollar, Euro, etc against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56. Financial instruments - fair values and risk management (Contd..)

C. Financial risk management (Contd..)

b) Market risk (Contd..)

Sensitivity analysis (Contd..)

Sensitivity

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2022					
(1% movement)	USD	(15.26)	15.26	(11.42)	11.42
	EUR	4.49	(4.49)	3.36	(3.36)
	SEK	6.01	(6.01)	4.50	(4.50)
	CHF	2.03	(2.03)	1.52	(1.52)
	DKK	(0.06)	0.06	(0.05)	0.05
	GBP	2.24	(2.24)	1.68	(1.68)
	PLN	(0.00)	0.00	(0.00)	0.00
	NOK	-	-	-	-

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2021					
(1% movement)	USD	0.89	(0.89)	0.66	(0.66)
	EUR	1.68	(1.68)	1.25	(1.25)
	SEK	3.00	(3.00)	2.25	(2.25)
	CHF	2.11	(2.11)	1.58	(1.58)
	DKK	(0.03)	0.03	(0.02)	0.02
	GBP	1.72	(1.72)	1.28	(1.28)
	PLN	(0.01)	0.01	(0.00)	0.00
	NOK	(0.00)	0.00	(0.00)	0.00

b) Interest rate risk

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2022	31 March 2021
Variable rate borrowings including current maturities	24653.28	35812.43
Total borrowings	**24653.28**	**35812.43**

Sensitivity

Particulars	Impact on profit and loss	
	31 March 2022	31 March 2021
1% increase in interest rate	(246.53)	(358.12)
1% decrease in interest rate	246.53	358.12

The interest rate sensitivity is based on the closing balance of loans from banks.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56. Financial instruments - fair values and risk management (Contd..)

C. Financial risk management (Contd..)

c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade receivables :

Customer credit risk is managed by the respective department subject to Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Group. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

Trade receivables :	< 180 days	>180 days	Provision	Total
31 March 2022	11044.72	1386.50	(1449.85)	10981.37
31 March 2021	9748.74	2072.92	(2168.18)	9653.48

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	31 March 2022	31 March 2021
Balance as at 01 April	2168.18	2163.92
Amounts written off	(650.49)	(105.29)
Net remeasurement of loss allowance	(67.84)	109.55
Balance as at 31 March	1449.85	2168.18

57. Benami Property

There are no proceeding initiated or pending against the Company as at 31 March 2022, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

58. Wilful defaulter

The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

59. Undisclosed incomes

The Company has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

60. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

61. Struck off companies

The Company has not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 06 May 2022

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322
Place: New Delhi

KR Veerappan
Chief Financial Officer
Place: New Delhi

Mahesh Thakar
Company Secretary and
Head - Legal
Place: New Delhi

Date: 06 May 2022

NOTICE OF THE 75th ANNUAL GENERAL MEETING

Notice is hereby given that the 75th Annual General Meeting (AGM) of **HIL Limited** (CIN: L74999TG1955PLC000656) will be held on **Friday, July 29, 2022 at 3.00 p.m. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business

Item no. 1 : Adoption of Financial Statements (Standalone & Consolidated) for the financial year ended March 31, 2022

To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.

Item no. 2 : To confirm the payment of Interim Dividend and Declaration of Final Dividend

To confirm the payment of Interim Dividend of Rs.20.00 (i.e. 200%) per Equity Share of Rs. 10/- each and to declare (a) a Final Dividend of Rs. 25.00 (i.e. 250%) per Equity Share of Rs. 10/- each for the Financial Year 2021-22 and (b) an additional dividend of Rs. 20.00 (200%) per Equity Share of Rs. 10/- each for the Financial Year 2021-22 to commemorate the celebration of Platinum Jubilee on completion of Seventy Five (75) years of incorporation.

Item no. 3 : Appointment of Mr. CK Birla (DIN: 00118473) as a Director liable to retire by rotation

To appoint a Director in place of Mr. CK Birla (DIN: 00118473), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4 : Appointment of Statutory Auditor of the Company

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

"**RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the appointment of M/s. B S R and Co., Chartered Accountants (Firm Registration Number: 128510W) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 80th Annual General Meeting to be held in the year 2027 on such remuneration as may be agreed upon between the Statutory Auditors and the Board of Directors of the Company in addition to actual out-of-pocket expenses incurred by them for the purpose of audit and the applicable taxes, be and is hereby approved."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

Special Business

Item No. 5 : To consider and ratify re-appointment of Mr. Dhirup Roy Choudhary as (DIN: 07707322) the Managing Director and Chief Executive Officer (CEO) of the Company for a further term of 05 (five) years effective January 16, 2022 until January 15, 2027.

Consequent to the recommendation of the Nomination & Remuneration Committee, the Board recommends reappointment of Mr. Dhirup Roy Choudhary as the Managing Director and CEO of the Company for a further term of 05 (five) years effective January 16, 2022 until January 15, 2027.

Accordingly, the following resolution is proposed for consideration and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) 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, Mr. Dhirup Roy Choudhary (DIN 07707322) be and is hereby reappointed as the Managing Director & 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 interest of the Company and as may be permissible by law, viz.,

a. Period

Five (5) years w.e.f. January 16, 2022 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 Rs. 9,83,075/- (Rupees Nine Lakh Eighty Three Thousand and Seventy Five 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 Rs.4,91,538/- (Rupees Four Lakh Ninety One Thousand Five Hundred and Thirty Eight 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 Rs. 10,87,325/- (Rupees Ten Lakh Eighty Seven Thousand Three Hundred and Twenty Five 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 Rs.4,65,000/- (Rupees Four Lakh Sixty Five Thousand 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 Rs.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 Rs. 69,39,396/- (Rupees Sixty Nine Lakhs Thirty Nine Thousand Three Hundred and Ninety Six 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 Committee of the Board, to be paid on pro rata basis for the actual period of service.

VII. Leave Travel Allowance up to a ceiling of Rs.5,84,000/- (Rupees Five Lakh Eighty Four Thousand only) 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 Rs.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 Forty (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 to as aforesaid, the Managing Director 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 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 Companies Act, 2013 and subject to the necessary approvals, if required in case of the loss or inadequacy of profit during the year".

"**RESOLVED FURTHER THAT** in addition to the Board's power to terminate services of Mr. Dhirup Roy Choudhary, as Managing Director at such shorter notices, the office of Mr. Dhirup Roy Choudhary, Managing Director 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, may subject to overall ceiling specified above and subject to Schedule V be of the Companies Act, 2013 be modified, during the tenure of office as Managing Director, as may be agreed to by the Board of Directors and Mr. Dhirup Roy Choudhary, Managing Director."

Item No.6 : Increase in the managerial remuneration limit payable to Mr. Dhirup Roy Choudhary, Managing Director and Chief Executive Officer of the Company, in excess of 5% of the net profits of the Company for the financial year 2021-22.

To increase the overall maximum managerial remuneration limit payable to Mr. Dhirup Roy Choudhary, Managing Director and CEO

of the Company (Director Identification Number: 07707322), in excess of 5% of the net profits of the Company which has been caused on account of exercise of Stock Options earlier granted to Mr. Dhirup Roy Choudhary, Managing Director and CEO, for the financial year 2021-22; and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V thereof and the Rules made thereunder and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors; and subject to the approval of any other statutory authorities, as may be required in this regard, the approval of the members of the Company, be and is hereby accorded to increase the overall maximum managerial remuneration limit payable to Mr. Dhirup Roy Choudhary, Managing Director and CEO (Director Identification Number: 07707322), for the financial year 2021-22, to the extent it would exceed 5% of the net profits of the Company, computed in the manner as laid down in Section 198 of the Companies Act, 2013, arising out of the exercise during the financial year 2021-22, by Mr. Dhirup Roy Choudhary, Managing Director and CEO of some or all of the Stock Options granted to and vested/to be vested unto him.

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

Item no.7 : To ratify and accord consent for appointment of Ms. Avanti Birla to the Office or place of profit

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 188(1)(f) of the Companies Act, 2013 read with Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rule, 2014 and other applicable provisions, if any, consent of the Members of the Company be and is hereby accorded by way of ratification for appointment of Ms. Avanti Birla as President – Strategy of the Company, w.e.f. May 9, 2022 who is a relative of Mr. CK Birla, Non-Executive Director and Chairman of the Board of Directors of the Company, on an annual remuneration of Rs.150.00 Lakhs (Rupees One Crore Fifty Lakh Only) per annum to be paid by the Company on such terms, conditions and benefits as may be applicable as per the policies of the Company to the grade of her appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things, as may be necessary, proper, expedient or incidental for giving effect to this resolution."

Item no.8 : To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2023

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder and subject to all other approvals, if any required, the Company be and is hereby authorized to pay an amount of Rs. 8.00 Lakh plus other applicable taxes and actual travel, stay, conveyance and other miscellaneous expenses as remuneration to M/s. S. S. Zanwar & Associates, Cost Accountants in practice (Registration No. 100283), who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2023.

Date: May 06, 2022
Place: New Delhi

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

Sd/-
Mahesh Thakar
Company Secretary & Head Legal
M. No. A23137

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 - 8 of the accompanying Notice:

Item No. 4:

This is to inform that as per the terms of appointment of M/s. B S R and Associates LLP, Chartered Accountants (FRN – 116231W) as a statutory auditors of the Company, the five years term of M/s. B S R and Associates LLP will come to an end on conclusion of ensuing Annual General Meeting to be held on July 29, 2022.

In view of the above, it is proposed to appoint M/s. B S R and Co, Chartered Accountants (FRN - 128510W), as Statutory Auditors of the Company under the provisions of section 139 and 142 of the Companies Act, 2013 read with Rules made thereunder. The Company received their consent along with a certificate confirming that they have not attracted any disqualifications as prescribed under the Companies Act, 2013 and the Chartered Accountant Act, 1949 read with rules made thereunder. The Audit Committee at its meeting held on May 6, 2022, reviewed the credentials of M/s. B S R and Co, Chartered Accountants (FRN - 128510W) and recommended for their appointment; accordingly, the Board at its meeting held on May 6, 2022 considered the recommendations of the Audit Committee and approved appointment of M/s. B S R and Co, Chartered Accountants (FRN - 128510W) as statutory auditors of the Company under the provisions of section 139 and 142 of the Companies Act, 2013 read with Rules made thereunder for a term of five years i.e. from the conclusion of 75th Annual General Meeting of the Company till the conclusion of 80th Annual General Meeting of the Company to be held in year 2027, at such terms and conditions as may be agreed between the Board and the Auditors including the remuneration of Rs. 93.00 Lakh (Rupees Ninety Three Lakh only) (excluding applicable taxes) and actual out-of-pocket expenses incurred by them for the purpose of audit and the applicable taxes.

It is further informed that the Board recommends the appointment of M/s. B S R and Co, Chartered Accountants (FRN - 128510W) for approval of the members by way of Ordinary Resolution as set out under the item No. 4 of the notice in terms of the provisions of section 139 and 142 of the Companies Act, 2013 read with Rules made thereunder.

Item no. 5 & 6:

Mr. Dhirup Roy Choudhary, Managing Director and CEO was first appointed on January 16, 2017 for a term of five (5) years. He was re-appointed effective January 16, 2022 consequent to the expiry of his initial term on January 15, 2022 by the Board at its meeting held on December 06, 2022 for another term of five (5) years. His re-appointment and remuneration continued on the same terms as that of his initial tenure which expired on January 15, 2022.

Further the Nomination and Remuneration Committee at its meeting held on May 12, 2015 approved and recommended the Employee Stock Option Scheme 2015 to the Board and the Board at its meeting held on May 12, 2015 recommended the said Scheme for Members approval and the Members at their meeting held on July 30, 2015 approved the said Scheme. The Scheme was made applicable to the eligible employees and Mr. Dhirup Roy Choudhary Managing Director and CEO was one of the eligible employees subject to the terms and conditions of the Scheme. Consequent to the approval of the ESOPs Scheme by the Members at their meeting certain options vested in Mr. Dhirup Roy Choudhary Managing Director and CEO and were due for grant in July 2021.

Further, as per the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 ("the Act"), read with Schedule V thereof and the Rules made thereunder, the maximum managerial remuneration payable to the managing director in respect of any financial year may exceed 5% of the net profits of the Company, calculated as per Section 198 of the Act, provided the same is approved by the members of the Company by way of a special resolution. For the purpose of assessing the proportion of the remuneration to the net profits of the Company, all elements of remuneration package such as salary, benefits, bonuses, stock option, pension, perquisites etc. are taken into consideration. Pursuant to the approval of the Nomination and Remuneration Committee, from time to time, Mr. Dhirup Roy Choudhary, Managing Director and CEO of the Company (Director Identification Number: 07707322), has been granted Stock Options ("Options") – under the HIL Limited Employee Stock Option Scheme 2015" ("ESOP 2015") as a part of his compensation package. The details of these grants have been appropriately disclosed in the Annual Reports of the Company. The perquisite value of the Options, exercised by Mr. Dhirup Roy Choudhary during any financial year forms part of his total remuneration. The perquisite value is the differential value between the fair market price of shares on the date of exercise of Options and the exercise price. The perquisite value is directly linked to the fair market value of the shares of the Company on the date of exercise of Options. During the financial year 2021-22, as per vesting schedule under ESOP Scheme 2015, certain number of options have vested in him. These options were exercised and allotted to him on November 01, 2021 by the Nomination and Remuneration Committee within the meaning of the subject ESOP Scheme as well as the respective Board approvals. Taking into account the perquisite value which gets added to his remuneration, the total managerial remuneration payable to him exceeds 5% of the net profits of the Company purely due to inclusion of the perquisite value of options exercised by him during the year 2021-22 and no cash pay-out has been made to him. His cash remuneration excluding the perquisite value arising out of ESOPs is well within the prescribed limits under section 197 of the Companies Act, 2013.

Further on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 06, 2022, approved and accordingly recommends to the members an increase in the managerial remuneration limit in excess of 5% of the net profits of the Company (computed in the manner as laid down in Section 198 of the Act) thereby seeking

Members consent to ratify the excess amount of Rs. 422.07 Lakhs paid to Mr. Dhirup Roy Choudhary, Managing Director and CEO during the year 2021-22. This will not entail any additional cash outflow for the Company but merely an addition of perquisite value to his total remuneration. His remuneration as per his terms of appointment is well within the approved limits of 5% of the net profits calculated as per section 198 of the Companies Act, 2013.

Except Mr. Dhirup Roy Choudhary and his relatives, none of the other Directors, Key Managerial Personnel or any of their respective relatives are, in any way, concerned or interested, whether financially or otherwise, in this resolution. Mr. Dhirup Roy Choudhary is not related to any other Director or Key Managerial Personnel of the Company or relatives of the Directors or Key Managerial Personnel. The Board of Directors recommends the proposal and the resolution for approval of members of the Company, as set out at Item No. 5 & 6 of the Notice.

Item No.7

In accordance with the provisions of Section 188(1)(f) of the Companies act, 2013 which govern the related party transactions, it is required for a Company to obtain approval of the Board of Directors and Shareholders for the related party's appointment to any office or place of profit.

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at its meeting held on May 06, 2022 had approved the appointment of Ms. Avanti Birla, who is relative of Mr. CK Birla, Chairman & Non-Executive Director of the Company, as President - Strategy of the Company, w.e.f. May 9, 2022, on such terms, conditions and benefits as may be applicable as per the policies of the Company to the grade of her appointment including salary of Rs. 150.00 Lakhs per annum subject to ratification and approval of the shareholders by way of an Ordinary Resolution.

Except Mr. CK Birla, Non-Executive Director and Chairman and his relatives none of the Directors or KMPs or any relatives of the Directors and KMPs are in any way concerned with or interested financially or otherwise, in the resolution at the item no. 7 of the accompanying Notice.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval of the Members.

Item No. 8:

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company, at its meeting held on May 06, 2022 based on the recommendation of the Audit Committee, appointed M/s. S.S. Zanwar & Associates as Cost Auditors of the Company to conduct audit of cost records of the Company for the products covered under the Companies (Cost Records and Audit) Rules, 2014 for the financial year 2022-23, at a remuneration of Rs. 8.00 Lakh plus other applicable taxes and actual travel, stay, conveyance and other miscellaneous expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item no. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

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

The Board of Directors, in the interest of the Company, recommends the Ordinary Resolution set out at Item no.8 of the Notice for approval by the shareholders.

Date: May 06, 2022
Place: New Delhi

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

Sd/-
Mahesh Thakar
Company Secretary & Head Legal
M. No. A23137

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021, 21/2021 and 02/2022 dated January 13, 2021, December 14, 2021 and May 5, 2022 respectively in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid-19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. In line with the relaxations provided under the MCA & SEBI Circulars, the Annual Report 2021-22 including financial statements (along with Board's report, Auditor's report or other documents required to be attached therewith) shall be sent only by email to the members on their registered email ids and to all other persons so entitled. Accordingly, the copy of Annual Report 2021-22 along with notice of the AGM is being sent through email to those members who have registered their email addresses with the Company/ Depository Participant (DP)/Company's Registrar and Transfer Agent (RTA). The Notice convening the 75th AGM has been uploaded on the website of the Company at www.hil.in and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively as well from the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

3. Members of the Company joining through VC and OAVM shall be reckoned for the purpose of quorum under section 103 of the Act.

4. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.

5. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to Mohit Gujjar at mohitkamdar@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

6. Those members whose email IDs are not registered, are requested to register their email ID with Registrar & Share Transfer Agent i.e. info@vccilindia.com (R&TA) by writing an email either to the R&TA at info@vccilindia.com or to the Company at cs@hil.in by submitting the following details:

   a. Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy of both PAN card and Aadhar card) Name as registered with the R&TA,

   b. To update bank account details, please send the following additional documents/ information followed by the hard copies:

      i. Name of the bank and branch address,

      ii. Type of bank account i.e., savings or current,

      iii. Bank account no. allotted after implementation of core banking solutions,

      iv. 9-digit MICR code no., and 11-digit IFSC code

      v. Original cancelled cheque bearing the name of the first shareholder, failing which a copy of the bank passbook / statement attested by a bank

   c. Members holding their shares in demat mode, please contact your Depository Participant (DP) and follow the process advised by your DP.

7. Post successful registration of the email, the member would get soft copy of the Annual Report 2021-22 along with Notice of the AGM containing the procedure for e-voting along with the User ID and Password to enable casting of vote through remote e-voting or electronic voting at the AGM. In case of any queries, member may write to info@vccipl.com or cs@hil.in.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to RTA if the shares are held by them in physical form.

9. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 23, 2022 to Friday, July 29, 2022 (both days inclusive), for annual closing and determining the entitlement of the shareholders to the final dividend for the year ended March 31, 2022.

10. The Company has fixed Friday, July 22, 2022 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2022, if approved at the AGM.

11. If the final dividend, as recommended by the Board of Directors, is approved at the AGM payment of such dividend subject to deduction of tax at source will be made on or before August 23, 2022 as under:

    a. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Friday, July 22, 2022 ;

    b. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Friday, July 22, 2022 .

12. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500018.

13. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

14. All documents referred in the Explanatory Statement along with Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, are available for inspection on the website of the Company at www.hil.in alternatively members can reach out to cs@hil.in.

15. The relative Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 ("Act") setting out material facts concerning the special business to be transacted at the Annual General Meeting ('AGM') are annexed hereto.

16. The relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.

17. 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.

18. Members who wish to claim dividends, which remain unclaimed are requested to correspond with M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad - 500018 (email: info@vccipl.com) Tel: 040-23818475/76; Fax: 040-23868024.

19. The Board of Directors has appointed Mr. Mohit Gurjar, (CP No 18644, and Membership No. 20557) of M/s. P.S. Rao & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process and e-voting on the day of Meeting in a fair and transparent manner.

20. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before July 20, 2022. through e-mail on cs@hil.in. The same will be replied by the Company suitably.

21. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company/ RTA (if shares held in physical form)

    a. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to investor.relations@vccipl.com.in by 11:59 p.m. IST by July 20, 2022. Shareholders are requested to note that in case

their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to investor.relations@vccipl.com.

b. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on July 20, 2022.

22. The instructions for members for remote e-Voting and joining Annual General Meeting are as under:-

a. Instructions For Members For Remote E-Voting:

i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

ii. The remote e-voting period begins on Monday, July 25, 2022 at 09:00 A.M. and ends on Thursday, July 28, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, July 22, 2022 may cast their vote electronically. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the e-Voting at AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again.

iv. Any person holding shares in physical form and non-individual shareholders who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: *Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.*

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in the **process for those shareholders whose email ids are not registered**.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and cast your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Mohit Gujjar mohitkamdar@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Sarita M at evoting@nsdl.co.in

4. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mrs. Sarita Mote, (Assistant Manager)-NSDL at SaritaM@nsdl.co.in / 022-24994890/

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor.relations@vccipl.com or cs@hil.in

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor.relations@vccipl.com or cs@hil.in . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

b. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

b. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@hil.in. The same will be replied by the company suitably.

c. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@hil.in, by July 20, 2022. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM

23. The Scrutinizer shall, after the conclusion of voting at the AGM, not later than two (2) working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

24. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.hil.in and on the website of NSDL https://www.evoting.nsdl.com. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

25. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.

Date: May 06, 2022
Place: New Delhi

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

Sd/-
Mahesh Thakar
Company Secretary & Head Legal
M. No. A23137

Annexure to the explanatory statement pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard-2 issued by ICSI, information about the Directors proposed to be appointed / re-appointed is furnished below:

Name of the Director	Mr. CK Birla	Mr. Dhirup Roy Choudhary
Director Identification Number (DIN)	00118473	07707322
Nationality	Indian	Indian
Date of birth	January 9, 1955	October 12, 1968
Age	67 years	54 years
Qualification	Graduation - Bachelor of Arts	Bachelor of Engineering (Electrical & Electronics) from Birla Institute of Technology and an eminent scholar of IIM-Ahmedabad
Experience (including expertise in specific functional area)/ Brief Resume	Mr. CK Birla is an Indian industrialist having rich business experience since 1978 and is a philanthropist. He is the Chairman of the CK Birla Group of Companies. CK Birla group is a conglomerate operating across home & building products, automotive & technology, healthcare and education etc.,	He has got more than twenty-nine years of hands-on experience in business management. With his significant experience to deliver profitable growth, he is capable of, turning around a loss making companies, setting up greenfield projects and setting up favourable Mergers & Acquisitions.
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not applicable	Not applicable
Date of first Appointment on the Board of the Company	February 4, 1980	Originally appointed on January 16, 2017 and was re-appointed on January 16, 2022
Shareholding in the Company	51376 Equity Shares of Rs. 10/- each	21360 Equity Shares of Rs. 10/- each
List of Directorship held in other companies	1. Orient Paper & Industries Limited 2. Orient Cement Limited 3. National Engineering Industries Limited 4. AVTEC Limited 5. Birla Brothers Pvt. Limited 6. Orient Electric Limited 7. Neosym Industry Limited 8. Birlasoft Ltd 9. Birlasoft Inc., USA 10. Birlasoft (U.K.) Limited, London 11. ASS AG, Switzerland	Nil
Membership / Chairmanship in Committees of other companies as on date*	1. National Engineering Industries Limited Nomination & Remuneration Committee 2. Orient Cement Limited • Nomination & Remuneration Cum Compensation Committee • Implementation Committee • Fund Raising Committee • Employee Stock Option Allotment Committee 3. Orient Electric Limited • Nomination & Remuneration Committee 4. Birla Brothers Pvt. Limited Nomination & Remuneration Committee	Nil
Listed entities from which he/she has resigned in the past three years	Nil	Nil
Relationships between Directors inter-se	He is not a relative of any of the Directors or Key Managerial personnel of the Company	He is not a relative of any of the Directors or Key Managerial Personnel of the Company

*Only two Committees namely, Audit Committee and Stakeholders' Relationship Committee have been considered.

#For other details such as number of meetings of the Board of Directors attended during the year and remuneration drawn, please refer to the corporate governance report which is a part of this annual report.

NOTES

NOTES

TOGETHER, WE BUILD.

HIL Limited

Regd. Office: Office 1 & 2,
SLN Terminus, 7th floor
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