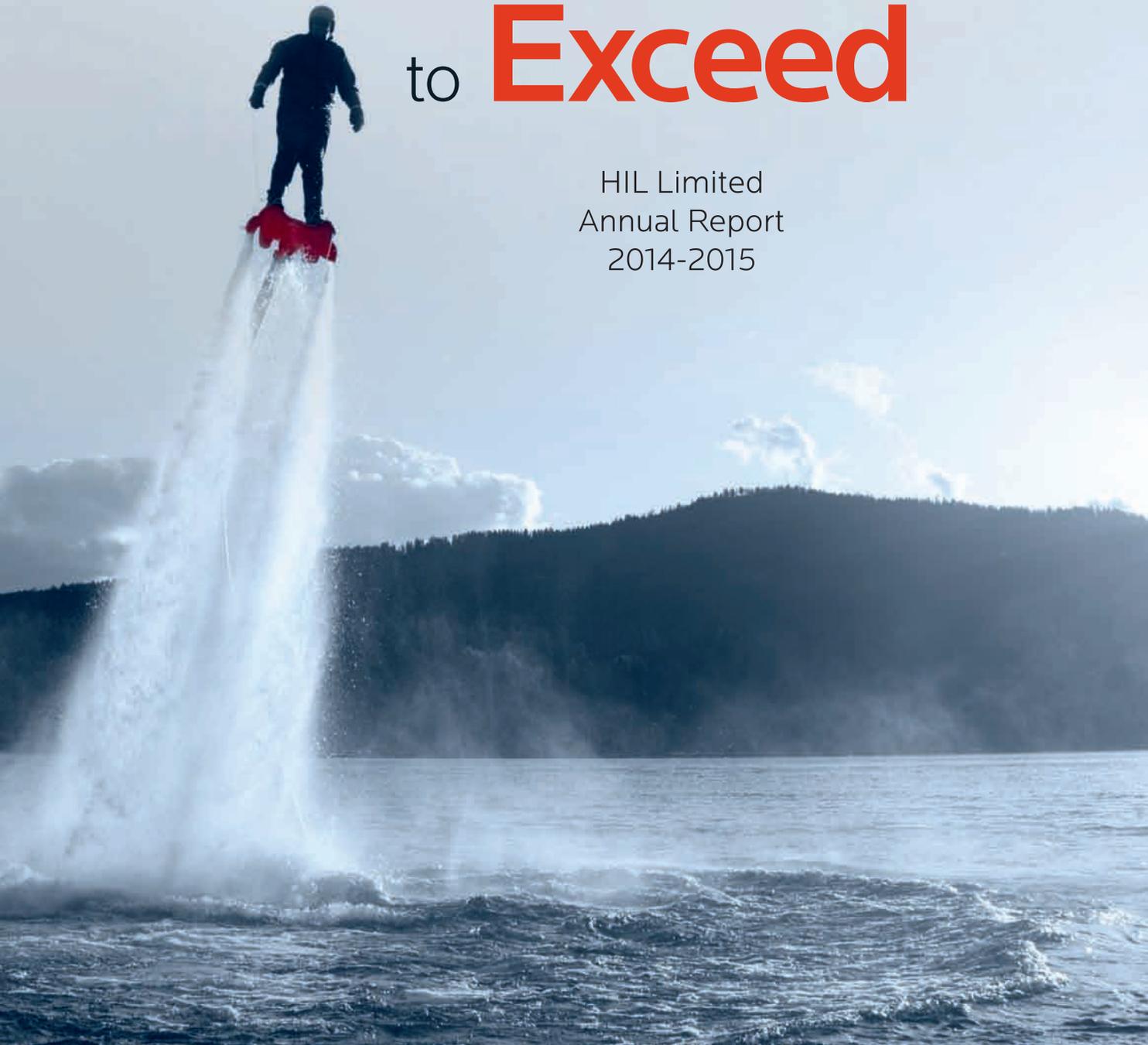


The **Zeal**
to **Exceed**

HIL Limited
Annual Report
2014-2015



The **Zeal** to **EXCEED**

empowers us
to exceed expectations
to fly high
to surge forward - Higher, Faster, Stronger



At HIL, we view challenges as opportunities. It is this spirit that opens up boundless vistas for growth, empowers us to break new ground and passionately strive to exceed expectations.

Even as our unprecedented performance enables us to fly high, we never lose sight of our strong Values and Vision that keep our feet firmly on the ground. In fact, we look at success as an inspiration which will act as a springboard to surge ahead faster, higher and stronger.

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Our Vision

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

Corporate Information

Board of Directors

Mr CK Birla, Chairman

Mr Prashant Vishnu Vatkar, Managing Director

Mr P Vaman Rao

Mr Yash Paul

Mr Desh Deepak Khetrapal

Mrs Gauri Rasgotra

Chief Financial Officer: Mr KR Veerappan

Company Secretary: Mr P Rajesh Kumar Jain

Auditors: S R Batliboi & Associates LLP

Solicitors: Khaitan & Company

Bankers

State Bank of Hyderabad

State Bank of India

Central Bank of India

HDFC Bank Limited

The Hongkong and Shanghai Banking Corporation Ltd.

Registered Office

HIL Limited

SLN Terminus 7th floor, Sy No 113, Gachibowli,
Hyderabad 500032, Telangana, India

CIN No.: L74999TG1955PLC000656

Works

Balasore: Plot No. Z-2, IID Centre, Somanthapur Village
Balasore District 756019, Odisha

Chennai: Periapalayam Road, Kannigaiper Village
Tiravallur District 601102, Tamil Nadu

Dharuhera: Plot No. 31, Rewari District 122106, Haryana

Faridabad: Sector-25, Faridabad District 121004, Haryana

Golan: Golan Village Valad Taluka, Tapi District 394640,
Gujarat

Hyderabad: Sanathnagar, Hyderabad District 500018,
Telangana

Jasidih: Industrial Area, Deoghar District 814142, Jharkhand

Jhajjar: Amadalshahpur, Akeri Madanpur Village
Tehsil-Matanhail, Jhajjar District 124146, Haryana

Sathariya: SIDA, Jaunpur District 222022, Uttar Pradesh

Thimmapur: Plot 11-56, Thimmapur,
Mahaboobnagar District 509325, Telangana

Thrissur: Mulankunnathukavu, Thrissur District 680581,
Kerala

Vijayawada: Plot No. 289, IDA, Kondapalli
Krishna District 521228, Andhra Pradesh

Wada: Musarane Village, Thane District 421312,
Maharashtra

Wind Power

3.6 MW (2x1.80 MW) at Kutch District, Gujarat

1.25 MW near Coimbatore, Tirupur District, Tamilnadu

2.5 MW (2x1.25 MW) at Jodhpur District, Rajasthan

2.0 MW at Rajgarh Village, Jaisalmer District, Rajasthan

HIL Values

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





Chairman's Message

CK Birla

Now our relentless focus on process excellence, talent and modernization is beginning to pay off

HIL is straddling new heights after a particularly tough year in 2013-2014. We have taken up strategic initiatives, acquired new talent, cut costs and diversified into new products. Now our relentless focus on process excellence, talent and modernization is beginning to pay off. Our performance in 2014-2015 clearly brings the limelight back on the upward trajectory of our growth potential, state-of-the-art manufacturing facilities, and our pan-India presence as a market leader. The government's renewed focus on infrastructure and affordable housing will add impetus to the growth process that has already begun.

As we grow, we will continue to adhere to our green philosophy, staying focused on environment friendly raw materials, production processes and end products. Our commitment to the environment is reflected in our investment in the state-of-the-art R&D facilities that enable us to even export to countries with stringent green standards.

We are confident that we will remain market leaders with well-defined strategies, robust diversification plans and cohesive team work.

I take this opportunity to thank all our stakeholders who have played a pivotal role in our growth. HIL will ensure that our stakeholders will be part of this success story.



Managing Director's Message

Prashant Vishnu Vatkar

We are confident that our customer focus, our people and our values will continue to empower us as we move ahead of the market in leaps and bounds

It is a matter of great pride for all of us at HIL that we have not only surpassed our own expectations, but also outperformed the industry. Our improved market share, profitability and enhanced brand equity is a testimony of this success.

As a part of HIL's business strategy, creation of SBU (Strategic Business Unit) structure has paid rich dividend.

This structure brought in sharper focus to individual businesses, making them lean and agile with optimal utilization of capital and human resources.

Our trade and business partners have continued to provide great support and add to our strengths.

With this renewed vigour, and HIL's customer centric approach, HIL brands Charminar & Aerocon will look at further expanding their product portfolio in the space of roofing, wet wall, dry wall and plumbing segments and provide high quality end-to-end efficient & eco-friendly building solutions, over the next few years.

The one key factor that has sustained and led HIL to this juncture is the commitment and passion of our people, who are highly motivated, driven and have a great zeal to excel. With our feet firmly held on the ground we shall use this success as a springboard to scale greater heights. We consider this to be just the beginning of a glorious future ahead.

Finance and Operations



HIL, Corporate Office, Gachibowli

Operations

Relocated the Registered Corporate Office to Gachibowli, Hyderabad, in the heart of the business hub

Upgraded hardware and network across all units

Established production of AAC Blocks at Hajar, Haryana, to meet the needs of North India Market

Commissioned a CPVC and UPVC unit at Timmapur, Telangana, to cater to the South India market

Launched an innovative Vendor Partnership program to reduce cost of key & critical raw material with improved quality

Finance

Sharpened focus on working capital efficiency

Lowered Debt-Equity ratio through borrowing cost optimization

Significant reduction in interest cost



AAC Block Plant, Hajar

Business Highlights and CSR

Charminar

A new world record was set by Charminar, by producing and selling 1 Lakh metric tonnes of fibre cement sheets during the period May and June 2014.

Charminar has recorded the highest ever revenue and profitability by substantially gaining market share and growth all across the country.

A first of its kind in the industry loyalty program, Charminar Unnati, was launched to engage, motivate, reward and further strengthen bonds with channel partners. Over 5000 channel partners have enrolled for the program.

Aerocon

Aerocon Blocks increased market spread by a quantum jump of 59% and Aerocon panels grew by 30%

Project ASPIRE, an innovative initiative to track, analyse, optimize and improve productivity by bringing down costs, was launched.

Capacity utilization touched 100% through achieving operational excellence.

In the first year of operation, Aerocon Pipes and Fittings was launched in 10 states as a premium product. It captured a substantial market share with its superior quality and aggressive marketing initiatives.

Aerocon Pipes and Fittings launched Aerocon Bandhan Club, a first of its kind technology driven loyalty program. This program has helped us to establish a one-on-one platform to engage, motivate and reward channel partners.

Distributed Warm Clothes at Sathariya



As a responsible corporate citizen, HIL is a strong believer in giving back to society

Participated in the Swachh Bharat Abhiyan by constructing toilets for Sonali School, near Wada, Maharashtra.

Erected a hand-pump for drinking water, distributed free stationery and organized debate and singing competitions for students of government schools in Balasore village.

Distributed warm clothes to children, senior citizens and the physically challenged in Sathariya. Donated computers to the local Govt. Primary School.

Constructed the Village Revenue Office at Ibrahimpatnam, Kondapally. Also provided Charminar fibre cement sheet for the roof of a place of worship.

Planted trees in the Industrial Development Area (IDA) at Kondapally, and transformed it into a green belt.



Distributed computers to a Government School at Sathariya



Distributed Stationery at school at Balasore

Sales and Marketing Initiatives

To make its mark in a highly competitive field, HIL is constantly looking at new and innovative ways of marketing and promoting sales. As part of this endeavour, it conducted campaigns targeting specific stakeholders- trade partners, influencers and customers- by educating, supporting and creating value for them

Educate

In keeping with its status as an Industry leader, HIL has taken on the responsibility to create awareness and educate the entire value chain of stakeholders by conducting seminars, training programmes and workshops.

Many useful topics such as skill enhancement, new techniques, industry updates and trends etc. are shared at these forums.

Support

One of HIL's major strengths lies in the end-to-end technical support services extended to customers. Right from the design stage to final execution of the project, HIL's highly trained professionals are on board to provide all necessary guidance and advice. This has resulted in the successful execution of numerous challenging landmark projects across the country.

Creating Value

HIL strongly believes in providing value to all its stakeholders, with the key value drivers being innovative products, comprehensive services and strong brand equity.

In this quest, HIL became an early adapter of mobile technology, CRM modules etc., using them effectively to build strong loyalty amongst the entire value chain. Today, HIL, with its pan India footprint, has an extensive network and enjoys numero uno position in Brand Equity Index (according to Nielsen's Brand Track study)

Rural Mobile-Radio Campaign

With TRAI putting the total rural telecom subscriber base at 377.73 million (as of March 2014), Brand Charminar sought to leverage this by launching a mobile-radio campaign with multiple telecom service providers to reach its rural customers. The campaign significantly enhanced brand awareness of Charminar in several rural and semi-urban markets.



Aerocon Hoarding on the Hyderabad Airport Road

Van Campaign



Dealer Meet

Exhibitions and Conferences



IGBC Exhibition

Provides an ideal platform to showcase new products, interact with the industry, experts & customers. Helps build brand salience & generate leads. Towards this end, HIL participated in numerous prestigious events

The BIG 5 at Dubai

With over 80,000 participants and exhibitions from 147 countries. This provides an ideal opportunity to develop new business connections and build mutually beneficial partnerships.

Smart Cities Summit at Mumbai

Provided a perfect platform for HIL to showcase and exchange ideas for modern and sustainable construction.

CREDAI Expo at Hyderabad

HIL showcased its products at one of the leading property shows organised by the Confederation of Real Estate Developers' Associations of India.

12th Green Building Congress and International Conference & Exhibition on Green Buildings at Hyderabad

The largest event of its kind in Asia. HIL presented a paper on green building material, new trends and its future prospects.

24th Kaizen Conference by CII at Delhi

HIL's Manufacturing Excellence team presented and showcased techniques on how to reduce speed loss in sheeting plants.



Dr Satyanarayana, head R&D at Green Building Congress



Kaizen Conference



The BIG 5

HR Initiatives



Award ceremony

In order to build a team of high performance with problem-solving skills, HIL has rolled out significant initiatives

Leadership pipeline development is a program to identify employees with potential and groom them into future leaders

Executive Coaching is provided to the leadership team to sharpen and hone skills

Executive Management Education, through collaboration with top business schools, for the personal growth of employees

Rewards & Recognition are accorded to employees to build a result-oriented culture

Capability Building & Management ensures smooth induction of new team members, and updating skill-sets of employees. Also, job rotation provides employees the opportunity to experience different roles and enhance knowledge

Building Functional Expertise by developing in-house programs like sales academy, train the trainer, etc.

Campus recruitment helps induct fresh talent from reputed institutions



Train the Trainer

Sales Academy



GET Induction

HIL Business Off-site Meets

Since HIL has pan-India operation. Off-site meets provide an opportunity for business teams to interact with their colleagues and leaders; in an environment conducive for sharing ideas and best practices



Ajeet Bajaj, external motivational speaker

Charminar's offsite meet celebrated the "Power of V", moving on from the previous years, "Power of U". It underlines the importance of "We", as in teamwork to take the brand to greater Heights.

"EUPHORIA", the annual off-site Meet of Aerocon Blocks & Panels and Hysil, themed "GET.SET.GO", celebrated last year's successes and laid out the road-map for reaching milestones in the coming year.

Aerocon Pipes and Fittings team celebrated its first successful year of operation with "The Big Leap", which called upon all employees to gear up for the opportunities and challenges of the future.

HIL team got to listen to motivational talks delivered by Ajeet Bajaj, a Padma Shri winner and Capt. Raghu Raman, a renowned leadership and strategy instructor, which stressed on passion, self-belief and teamwork to successfully take on challenges.

At the event, individuals and team performances were recognized and rewarded, which went a long way towards boosting morale, building confidence and belief in the organization's capability to continue setting new benchmarks in the industry.

Charminar "Power of V"



Aerocon Blocks, Panels & Hysil "GET.SET. GO"

Aerocon Pipes and Fittings "The Big Leap"



Awards and Accolades



The zeal to exceed expectations and set new benchmarks is reflected in HIL's outstanding performance over the past year. Its achievements earned laurels from the industry which will serve to inspire HIL to reach even higher



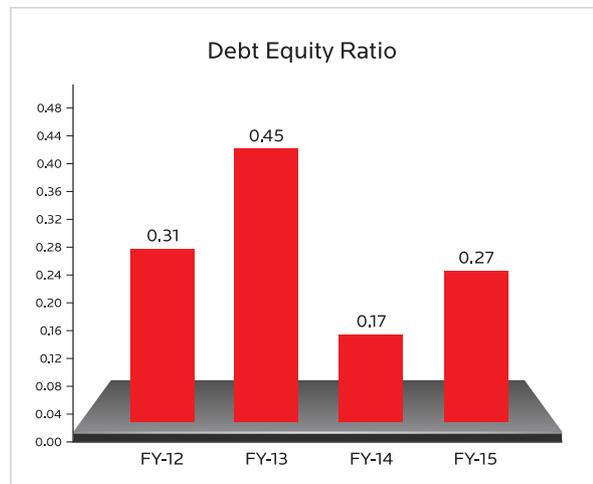
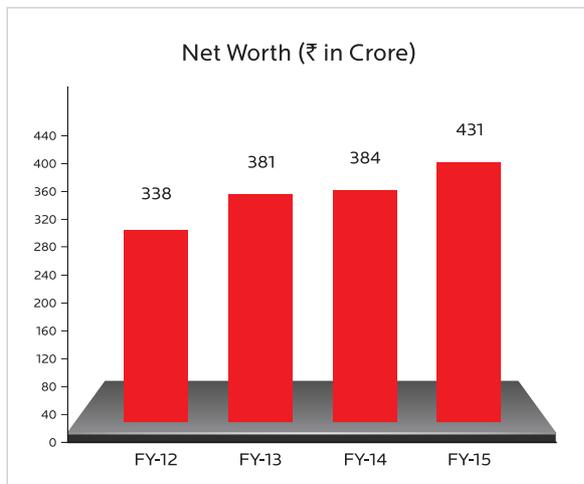
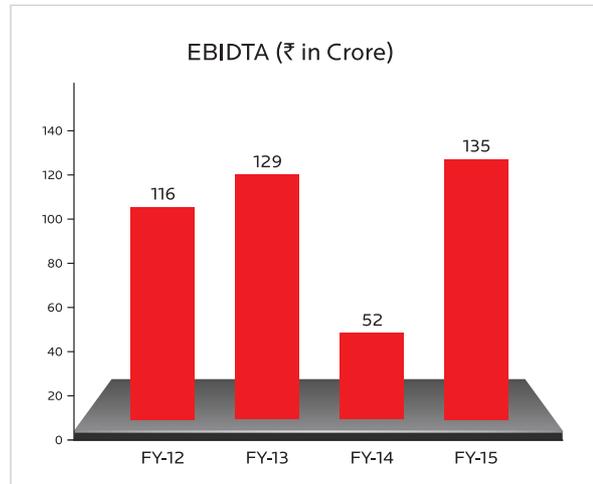
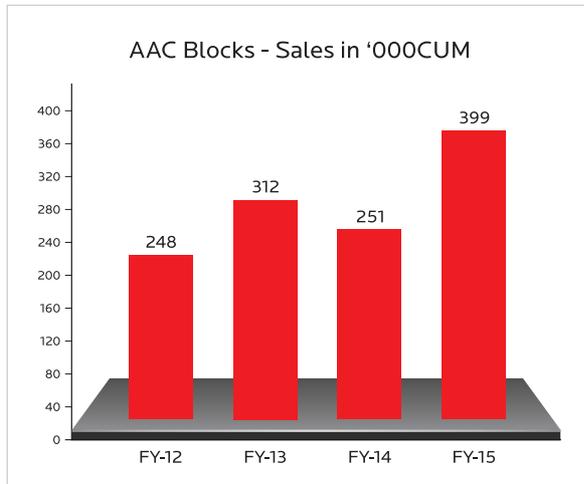
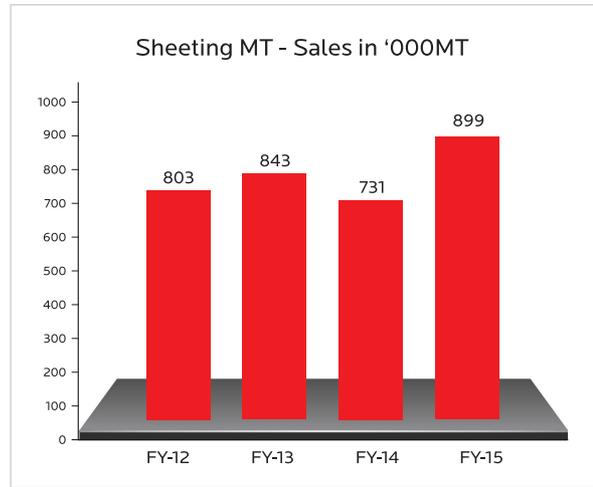
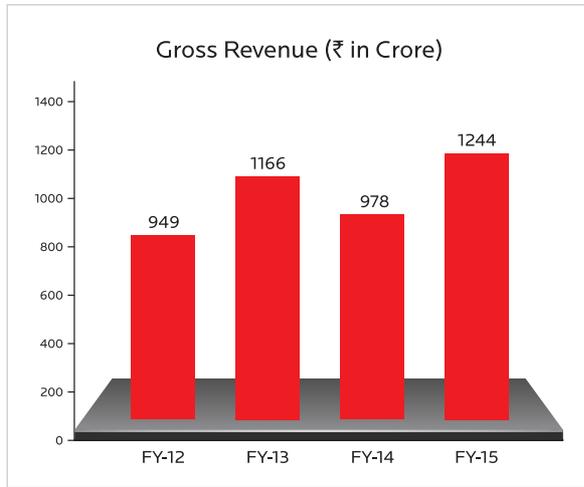
Golan plant awarded the Excellence in Sustainability by Manufacturing Today

Balasure plant bagged the Silver Award in the National Awards for Manufacturing Competitiveness (NAMC)



The Superbrand badge is a recognition of the highest standards of product integrity & brand development and efforts to win consumer trust. Aerocon for two years in a row 2013 - 2014 and 2014 - 2015. Charminar for 2014 - 2015, was the first and only brand in its category

Financial performance at a glance



Directors' Report

TO THE SHAREHOLDERS

The Directors have pleasure in presenting their Report and the Audited Financial Statements of your Company for the year ended 31st March 2015.

FINANCIAL RESULTS

	₹ in lacs	
	2014-15	2013-14
Net Revenue from operations	110779	86947
Earnings Before Interest, Depreciation & Tax	13507	5239
Less: Interest	577	1023
Depreciation	3402	2872
Profit Before Tax and Exceptional items	9528	1344
Less: Exceptional items	333	355
Profit before Tax	9195	989
Less :Taxes	2509	276
Profit for the year	6686	713
Surplus in P&L account as per last year	4885	4708
AVAILABLE FOR APPROPRIATION	11571	5421
Carrying value of Fixed Assets having NIL useful life As per Schedule II of Companies Act, 2013 - net of deferred tax	176	-
Transfer to General Reserve	4000	100
Interim Dividend on Equity Shares	746	-
Proposed Final Dividend on Equity Shares	746	373
Corporate Dividend Tax	279	63
Balance Carried to Balance Sheet	5624	4885

DIVIDEND

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

With the proposed final dividend, the total dividend for the year 2014-15 would be ₹ 20.00/- per equity share (200% of the paid-up value) as against the total dividend of ₹ 5.00/-

per equity share (50% of the paid-up value) declared in the previous year.

The total dividend outgo would amount to ₹ 1771 lacs (including dividend distribution tax).

SHARE CAPITAL

The paid up Equity Share Capital as on March 31st, 2015 was ₹ 7.49 Crores. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2015, Mr. CK Birla, Chairman holds 51,376 equity shares of the Company. None of the Directors of the Company, except as specified above, hold shares or convertible instruments of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of Loans, Guarantees and Investments as required under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements.

DEPOSITS

The Company has not accepted any deposits covered under chapter V of the Companies Act 2013 and as such, no amount of principal or interest was outstanding as on 31st March 2015.

OVERALL ECONOMIC OUTLOOK:

The low economic growth phase in the Indian Economy appears to have bottomed out and 2014-15 witnessed a gradual improvement in economic activity. As per the advance estimates of Central Statistics Office (CSO), India's economic growth is pegged at 7.4% in 2014-15 as compared to 6.9% in 2013-14.

With the control over price rise continuing a remarkable fall in inflation was noted, as the wholesale price index (WPI) fell to a 5-yr low of 0.11 in December'2014. The Manufacturing PMI reported by Market Economics and conducted by HSBC every month, rose from 51.40 at the beginning of Q1 of 2014-15 to 52.10 by the end of Q4 of 2014-15. The Business confidence index has been continuously rising from 49.9 in Q4 of 2013-14 to 56.4 in Q4 of 2014-15 as reported by Confederation of Indian Industry (CII). The forecast expects the index to rise to 58.18 by 2016. The medium term to long term growth prospects look positive in view of the Government's determination to bring in reforms. The Economic Survey has projected the Gross Domestic Product (GDP) growth at 8%-8.5% in financial year 2015-16 and double-digit growth in the coming years.

STATE OF COMPANY'S AFFAIR

In the year 2014-15, the Company's net revenue stood at ₹ 1108 Crores as compared to ₹ 869 Crores in the previous year, a growth of 27.5%. Consequently, Profit before Tax for the year under review was ₹ 91.95 Crores as compared to ₹ 9.89 Crores reported last year signifying an y-o-y growth of 830%. In order to compete in the changing market conditions, HIL started adapting different strategic initiatives in its existing businesses. A focussed approach and unique strategy was adopted for each business division with the objective of achieving higher growth and profitability. Various strategic initiatives such as optimization of cost, focused sales strategy, regular performance improvement initiatives contributed to an impressive performance by your Company both in terms of revenue and profitability. Your company's priority is to develop eco-friendly products and to achieve this it has a well thought strategy in place for the development of new products and for the growth of Green Building Products produced by the Company.

Sheeting:

The Sheeting business had a historical year with the highest ever sales volume and revenue. It witnessed a growth of 23% in volume during the year under review. This was achieved through focus on high potential geographies, sales & marketing initiatives in priority markets, changes in manufacturing footprint and cost optimization at its plants.

Aerocon AAC - Blocks

The year under review was a challenging year for the AAC Blocks Industry. While the Industry witnessed a growth in demand due to increasing awareness about green building products, however the pricing was a challenge because of surplus capacity and oversupply across regions. There was intense price pressure especially in the North and Western markets resulting in a drop in realization by 10%-20% as compared to the previous year. Aerocon AAC Blocks sales revenue grew by 59% as compared to the market growth of 32% approximately.

Aerocon Panels

During the year under review the Aerocon Panel Sales grew by 29% and your company continued to be the market leader in this segment. Demand for the Company's pre-fabricated panels is increasing especially from major Government, Industrial, Healthcare projects as well as from export requirement. Your company will continue its focus on Tier 2 and Tier 3 towns which are witnessing good growth in real estate and infrastructure projects.

Advanced Polymer Products (APP):

The year under review was the first full year of operations for the Advanced Polymer Products division of the Company. In

its first full year of operation, the Company has successfully setup its distribution foot print in 10 states covering Northern and Southern markets and has cornered about 7% market share in North. The division's primary focus is to build deep and wide distribution channels, increase SKU's and develop in-house compounding capability which are some of the key essentials in this business.

Thermal Insulation - HYSIL

Hysil business continued to maintain its market leadership position in the Granular Insulation segment, with a virtual numero - uno position in the Cement industry which is its biggest consumer. To de-risk itself against any slowdown in the Indian Cement industry, it has forayed into Exports. In the fiscal year 2014-15, 16% of the Hysil business came through Exports to Africa, Middle East, Nepal & Bangladesh.

NEW PROJECTS

Wind Power: During the year, HIL commissioned a 2.0 MW Wind Turbine Generator in Rajasthan on 30th September 2014, taking the HIL's renewable energy portfolio to 9.35 MW. HIL continues to evaluate various options for expanding its renewable energy portfolio.

AAC Blocks: Expanding its foot print in the growing AAC Blocks Industry, HIL on 1st January 2015 commissioned a AAC Blocks manufacturing facility in Jhajjar, Haryana with an installed capacity of 1.5 lac Cu.m/annum. This plant shall cater to the growing AAC Blocks market in the National Capital Region (NCR) and the northern region of the Country.

APP Division: HIL ventured into manufacturing of Advanced Polymer Products, with CPVC and UPVC plumbing products in October, 2013 with the commissioning of its Faridabad unit. Expanding further, HIL on 2nd March 2015, commissioned its second state of the art manufacturing facility for CPVC and UPVC Pipes and Fittings at Timmapur, Telangana with an initial capacity of 1555 MT. This unit will help strengthen your Company's presence in the Southern market.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A Report on Management Discussion & Analysis is appended as Annexure (I) to this report as per the requirements of Listing Agreement with the Stock Exchange(s).

DIRECTORS

During the year under review, the members at the AGM held on 18th July, 2014 appointed Mr. P Vaman Rao and Mr. Yash Paul as Independent Directors of the Company for a term of 5 years w.e.f 18th July, 2014 and Mrs. Gauri Rasgotra as Independent Director of the Company for a term of 5 years w.e.f 8th May, 2014.

During the year, Mr. Abhaya Shankar, resigned as Managing Director of the Company with effect from 22nd September, 2014. The Board of Directors place on record their

appreciation for the hard work and dedication of Mr. Abhaya Shankar during his tenure since February 2008, as Managing Director of the Company.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, co-opted Mr. Prashant Vishnu Vatkar as an Additional Director of the Company with effect from 20th April, 2015, and appointed him as Managing Director of the Company, subject to the approval of the members, at the forthcoming Annual General Meeting.

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Desh Deepak Khetrpal Director of the Company will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The Resolutions proposing appointment of Mr. Prashant Vishnu Vatkar as Managing Director and reappointment of Mr. Desh Deepak Khetrpal as Director of the Company will be placed before the Shareholders for their approval at the ensuing Annual General Meeting of the company.

The Company has received declarations from all the Independent Directors of the Company confirming that they continue to meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

For Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting of the Company; the particulars as required to be disclosed in accordance with Clause 49 (Corporate Governance) of Listing Agreement, forms part of Corporate Governance Report.

MEETINGS

During the year under review, six board meetings were held on 08th May, 2014, 18th July, 2014, 16th September, 2014, 17th October, 2014, 23rd December, 2014 and 19th January, 2015. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

BOARD EVALUATION

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement in the following manner:

- i. Structured evaluation forms, as recommended by the Nomination and 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, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.

- ii. The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.
- iii. Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board / Committee/ Individual Director, and formulated a final collective evaluation of the Board. The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on 23rd December, 2014 to evaluate the performance evaluation of the Chairman, the Non Independent Directors, the Board and flow of information from management.

VIGIL MECHANISM

The Board of Directors, on recommendation of the Audit Committee, established a vigil mechanism by framing a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The Vigil Mechanism framework ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination shall be meted out to any person for a genuinely raised concern. The designated officer/ Audit Committee Chairman can be directly contacted to report any suspected or confirmed incident of fraud / misconduct on cs@hil.in. A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

The Whistle Blower Policy is also posted in the Investors section of the Company's website www.hil.in on the following link <http://hil.in/investors/codes-policies/>.

REMUNERATION POLICY

The Board of Directors, on recommendation of the Nomination and Remuneration Committee framed a Nomination and Remuneration policy for selection, appointment and remuneration of Directors, KMP and Senior Management and matters covered u/s 178(3) of the Companies Act 2013. The details of the same are provided in the Corporate Governance Report. The Policy is also posted in the Investors section of the Company's website www.hil.in on the following link <http://hil.in/investors/codes-policies/>.

SEXUAL HARASSMENT POLICY

The Company as required under the provisions of "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" has framed a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto.

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

RELATED PARTY TRANSACTIONS

The Board of Directors, on recommendation of the Audit Committee framed a policy for Related Party Transaction which includes policy for selection, appointment and remuneration of Directors, KMP and Senior Management and matters covered u/s 178(3) of the Companies Act 2013. The details of the same are provided in the Corporate Governance Report. The Policy is also posted in the Investors section of the Company's website www.hil.in on the following link <http://hil.in/investors/codes-policies/>.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The requisite details of the related party transactions entered into during the financial year are provided as Annexure (II) to this report. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval, where ever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors on a quarterly basis.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors' Responsibility Statement as required under the provisions of Section 134(3)(c) of the Companies Act, 2013, is given in the Annexure (III) attached hereto and forms part of this Report.

CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance coupled with good corporate practices. As per the

requirements of Listing Agreement with the Stock Exchanges, a Compliance Report on Corporate Governance for the year 2014-15 and a Certificate from the Auditors of the Company M/s. S R Batliboi & Associates LLP, Chartered Accountants, [ICAI Firm Registration Number: 101049W] is furnished as part of the Annual Report.

The Ministry of Corporate Affairs has issued Corporate Governance Guidelines in December, 2009. While these Guidelines are recommendatory in nature, your Company has already adopted most of the Guidelines. The Company will be reviewing its Corporate Governance Practices in the context of other recommendations under the said Guidelines for appropriate adoption.

AUDIT COMMITTEE

Your Company has constituted an Audit Committee as per the requirements of section 177 of the Companies Act, 2013. The details of the composition of the Audit Committee as required under the provisions of Section 177(8) of the Companies Act, 2013, is given in the Corporate Governance Report furnished as part of the Annual Report. During the year under review, the Board has accepted all the recommendations of the Audit Committee.

HUMAN CAPITAL

The strong performance of your Company has been achieved through excellent work and team-spirit of the Company's employees. Your Company believes that the human capital is of utmost importance to sustain the market leadership in all product segments and also to capture new markets.

The changes in the Organisation Structure implemented last year has given the Company rich dividends in terms of higher focus on individual businesses to optimise best resources & to leverage the market potential. We have benchmarked ourselves with the market and have identified the high Performers on critical roles and rewarded them appropriately, which has helped to achieve better employee engagement and financial results. Through appropriate Performance Management systems the Company differentiates the employees with potential to take higher challenges and devise a separate career program for their retention and advancement. A customized Competency based Leadership Program has been devised for High - Potential employees with focus on their Individual Development Plan & helping them to become future leaders. Nurturing young, hi potential talent has been our focus through the CEO Circle program wherein the selected participants are provided rigorous leadership training for 2 years to prepare them to take-up higher roles in the organization. We continue to strive to build a performance driven culture and create an environment conducive for the employee's growth.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors, on recommendation of the Corporate Social Responsibility Committee framed a Corporate Social

Responsibility Policy in consonance with Section 135 of the Companies Act, 2013 read with the rules framed there under duly indicating the activities to be undertaken by the Company as specified in the Schedule VII of the Companies Act, 2013. The Corporate Social Responsibility Policy is posted in the Investors section of the Company's website [www.hil.in](http://hil.in) on the following link <http://hil.in/investors/codes-policies/>.

The Annual Report on CSR activities is annexed herewith as Annexure (IV) and forms part of this report.

RISK MANAGEMENT

The Risk Management programme at HIL is focused on ensuring that risks are known and addressed. The Board of Directors, on recommendation of the Audit Committee, established a robust Risk Management framework by framing a Risk Management Policy to deal with all risks including possible instances of fraud and mismanagement, if any. 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.

As a part of the Risk Management framework, the Company has implemented an online Risk Management tool to help monitor and mitigate risks by assigning the risks to different officers/committees. The Board is of the opinion that there are no elements of risks that may threaten the existence of the Company. The board periodically tracks the progress of implementation of the Risk Management policy.

STATUTORY AUDITORS

The Statutory Auditors of the Company, M/s. S R Batliboi & Associates LLP., [ICAI Firm Registration Number: 101049W], were re-appointed by the members at the 67th Annual General Meeting held on 18th July, 2014 for a term of 3 (Three) years till the conclusion of 70th Annual General Meeting to be held in 2017. Members are requested to ratify the same at the ensuing Annual General Meeting of the company, in accordance with section 139 of the Companies Act 2013.

The Audit Report issued by the Statutory Auditors for the financial year ended 31st March, 2015 forms part of this Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors which requires explanation or comments from the Board.

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 cement products manufacturing activity 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, 2016 at a remuneration of ₹ 6.00 (Six) lakhs. Members

are requested to ratify the remuneration payable to the Cost Auditors at the ensuing Annual General Meeting of the company, in accordance with section 148 of the Companies Act 2013.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules framed there under, the Board of Directors, on recommendation of the Audit Committee, appointed M/s P S Rao and Associates, Practicing Company Secretaries to undertake the secretarial audit of the Company. The secretarial audit report issued by M/s P S Rao and Associates, Practicing Company Secretaries for the financial year ending 31st March, 2015 is given in the Annexure (V) attached hereto and forms part of this Report. There are no qualifications, reservations or adverse remarks made by the secretarial auditor and the observation made is self explanatory and requires no further explanation from the Board.

EXTRACT OF ANNUAL RETURN

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

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 (VII) attached hereto and forms part of this Report.

PARTICULARS OF EMPLOYEES

The information required pursuant to the provision of Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, are set out in Annexure (VIII) of this Report.

ACKNOWLEDGEMENTS

The Board of Directors places on record their appreciation for the co-operation and support extended by all stakeholders in the Company including the Shareholders, Bankers, Regulatory Bodies, Suppliers and other Business Associates.

The Directors also wish to place on record their deep sense of gratitude and appreciation for all the employees for their commitment and contribution towards achieving the goals of the Company.

On behalf of the Board of Directors

Sd/-

CK BIRLA
Chairman

New Delhi, 27th April, 2015

Annexure(s) to the Directors' Report

Annexure (I): Management Discussion & Analysis Report.

OVERVIEW

The year under review had challenges on several fronts with general elections conducted during the year. With a stable Government coming in power after two terms of coalition, the business confidence and optimism of better governance have already started showing some signs of recovery in the overall economy. The annual growth rate of the Indian economy is projected to have increased to 7.4% in 2014-15 as compared with 6.9% in the fiscal year 2013-14. The inflation came down significantly due to various reasons including sharp drop in international crude oil prices. The construction and infrastructure industry has been one of the fastest growing in the year under review.

The industrial sector is vital to India's economic story. The growth in the sector is driven by many core segments such as infrastructure, energy, mining, cement and its allied sectors among others. Focused approach to attract investment in these key sectors will convert into demand for products and services produced by your company.

The government's 'Make in India' program is likely to push growth in several hitherto unserved sectors. The specific initiatives like Swatch Bharat over the next two years, own house for every citizen and plans to have hundred new smart cities in the coming years would transform the economy and the society in a significant manner. In addition to this, the drive of the new Government on mass opening of Bank accounts and subsequent linking of aids and subsidies to the accounts would reduce leakage of the support drastically. This in turn will result in significantly higher real disposable income available to the needy and poor. With the implementation of the planned initiatives the building material and construction industry would experience a faster growth.

INDUSTRY AND COMPANY TREND

As discussed in last year's report performance of your company is directly linked to performance of the rural / semi-urban economies of our Country. The year 2014-15 began with a positive note for the fibre cement industry. Due to better monsoon during FY 14-15 the industry bounced back from the decline in demand experienced in the earlier year.

India's construction sector is projected to grow at 7-8 percent each year over the next decade as it stimulates building infrastructure and creates growth opportunities for other sectors in the economy. Infrastructure accounts for 49 percent housing, 42 percent real estate and 9 percent industrial projects. Growth in these sectors would enable your company to achieve better growth.

BUSINESS SEGMENT ANALYSIS

The Company's business can broadly be classified into three groups i.e. Building Product Group, Thermal Insulation Product Group and Wind Power.

(A) BUILDING PRODUCT GROUP consists of:

1. Fibre Cement Sheets Business
2. Autoclaved Aerated Concrete (AAC) Blocks / Fly Ash Bricks (Light Weight large size Bricks)
3. Building Panels (for walling/partitioning and pre-fab structures)
4. Advanced Polymer Products (APP)

(B) THERMAL INSULATION PRODUCT GROUP consists of:

Calcium Silicate Insulating Materials (for high temperature insulation)

(C) WIND POWER

(A) BUILDING PRODUCT GROUP: This segment consists of four different product groups, viz., Fibre Cement Sheets, Autoclaved Aerated Concrete Blocks, Building Panels and Advanced Polymer Products.

"Fibre Cement Sheets" business continue to be the major revenue generator for the Company by contributing 81% of the Company's Revenue. The Fibre Cement Sheet Industry witnessed spurt in demand from the beginning of the financial year mainly due to better monsoon effect of last year and improved visibility of higher disposable income in the hands of rural consumers. During the year under review, the industry registered a growth of 10 % as compared to de-growth of 14% in the last fiscal. This division achieved highest ever sales volume and production volume during the year. This division also produced and sold more than 100,000 MT in a single month by creating history in the industry. With a clear focused approach in select states / territories, market share of your company has also improved during the year. Your Company continues to be the market leader in the fibre cement roofing industry. Efforts taken by the Company in terms of optimizing production foot prints across its facilities coupled with operational efficiencies yielded desired results for the Company.

Another major growing product in this segment is the "Autoclaved Aerated Concrete Blocks / Fly Ash Bricks". This division reported a significant growth during the year under review by registering 59% growth over

previous year in quantity terms. In view of improved economic conditions, activity in this segment is gaining momentum and your Company with established brand name "AEROCON" is geared to capitalize this momentum to its advantage. AEROCON has been able to increase its Market Share through product differentiation, cost optimization, branding and customer service in the challenging business environment. Well planned 'Go to Market' strategy has also contributed for increase in market share of this product during the year. However, aggressive pricing from the un-organised/ small time players remains a challenge in this product category. Additionally, built up of excessive capacity kept prices down thereby reducing margins. During the year under review, your Company commercialized operations of its state of the art new plant at Jhajjar in Haryana. This facility caters to the requirements of the northern market where we see huge potential for scaling up of the business. With environmental restrictions, non-availability of clay bricks, increased awareness among builders and consumers in switching over to "Green Products" coupled with anticipated growth in real estate sector we expect the demand to improve significantly in the coming years.

Another product in this segment is the "Building Panels". Panels are normally used for construction of prefab structures and partition walls and have been extensively used in the infrastructure sectors like power and steel plants, roadways, irrigation, airports as also in the construction of malls, schools, hospitals and colleges. This business witnessed a growth of 29% in quantity terms during the period under review. With the continued Government focus on these sectors this product vertical is also expected to do well in the current fiscal.

Your Company's new business vertical "Advanced Polymer Products" has completed one full year of operation. This product vertical manufactures UCPVC and CPVC pipes and fittings and currently caters to part of the northern and southern markets. During the last year, your company commissioned one more facility at Timmapur, Telangana for manufacture of pipes and fittings. As the demand for these products is expected to increase manifold, this division would do well in the coming years

- (B) **THERMAL INSULATION PRODUCT GROUP:** This business mainly caters to the requirements of cement, fertilizer, power and petrochemicals industries. As some of these sectors are already facing excess capacity situation in certain parts of the country, there were very few new

projects which came up in the year under review. We expect that this business will continue to perform at the same level in the current fiscal in view of excess capacity built up across these sectors. The brand "HYSIL" enjoys high customer delight and hence we should be able to increase volumes as the demand-supply situation improves. This division has had good success in the exports front and the Company was able to open up new markets in the middle east and far east.

- (C) **WIND POWER:** In addition to the above business segments, your Company has also invested in setting up Wind Power Plants in select parts of the Country. During the year under review, your Company set up one additional Wind Turbine Generator of 2MW at Rajasthan. With this new addition, your company now has 9.35 MW of Wind Turbine Generators installed at different locations, viz., Gujarat, Tamil Nadu & Rajasthan. The energy generated from these projects is partly used for captive consumption at the Company's AAC Blocks manufacturing units in Gujarat and Tamilnadu and partly sold to the electricity distribution companies in the respective states. Your Company is making constant efforts to explore further areas of improvement as part of energy optimization.

OUTLOOK FOR THE COMPANY

India is expected to show accelerated growth during next few years mainly driven by reforms and policy initiatives of the Government which will help the country to retain its 3rd place in terms of purchasing parity across the globe. Consumption from the rural and semi-urban areas of the economy continues to drive growth in the Indian economy to a large extent.

Infrastructure, a key driver of the economy is a major force for propelling India's overall development. As mentioned earlier implementation of initiatives of the Government like Swatch Bharat, Own house for every citizen and Smart Cities would help the industry to register growth at a faster pace. The initiative of linking Bank account to subsidy is expected to result in higher disposable income in the hands of needy and poor who are one of your company's core customers.

As discussed in our earlier report, India's population is fast urbanizing and is expected to grow to 500 million (36%) of total population by 2020. As we expect, this urbanization move will generate unprecedented demand for quality real estate and infrastructure including housing. India is witnessing significant interest from the international investor community in the infrastructure space. Many foreign companies are keen on collaborating with India on projects relating to infrastructure, high speed trains, renewable energy

and developing smart cities. We believe that the demand for your Company's green products like Blocks, Panels & Pipes are expected to go up.

Even today large part of the population do not have permanent roof for their shelters. With increased awareness of risks associated with the usage of "kuccha roofing" with regard to safety and health, a gradual shift in demand for better alternative products is seen. The Government's continued thrust to provide adequate shelter to the rural poor through various Government sponsored programs like "Housing for All" would help boost demand for various building products, providing a huge opportunity for your Company's "CHARMINAR" roofing sheets.

With the continued focus/awareness on the impact of Climate change across the Globe, your Company expects that the demand for its environmental friendly products like Blocks, Panels and Pipes would go up in the current year. Our brand "AEROCON" is positioned in the market as a premium brand and is expanding its reach. Our shift in focus towards providing "complete building solution" helped the customers to use our products more efficiently and our core technical support teams ensure that the customers are at ease by working with them closely for efficient usage of our products.

Your Company's efforts to position itself as a "Complete building solution provider" with superior and consistent quality and service level's evoked good response from the market. The Company is also contemplating expanding its product portfolio to further increase its presence in the segment.

RESEARCH AND DEVELOPMENT

We are committed to investing in world-class technology development, particularly on environment friendly Green Building Products (GBP). The Research and Development (R&D) Centers of the Company are continuously evolving into a vibrant place with the research work progressing in several areas. Our continuous efforts on R & D activities with focus on areas such as designing and developing new products, de-risking the business, improving manufacturing processes with respect to environment, health and safety, quality up-gradation of existing products and researching future technologies for total building solutions have given the Company good results.

The Research and Development (R&D) Centers of the Company are recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. Well experienced, qualified and a fully dedicated team is actively working in conjunction with our

Business Development teams in developing energy efficient and pollution free processes, new application development, variants in products, business continuity, cost reduction and enhancement in product quality.

RISKS

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

Agriculture is the dominant sector of the Indian economy, which determines the growth and sustainability. The sale of Company's main product, viz., Fibre Cement Sheet has direct correlation with the GDP growth of the country. Agricultural growth in India largely depends on monsoon and weather conditions across the country. The uncertain weather conditions affect the growth of the sector to a large extent.

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

Constraint in supply of Fibre due to closure of certain mines across the world has resulted in increased dependency on limited supply sources. However, your Company enters into long term contracts with the suppliers thereby ensuring availability of fibre as per business requirement. The process of development of an alternative to fibre is on which would help the Company to overcome this risk to a great extent. Pricing and supply of fly-ash, another key raw material is expected to remain in a range and not have any major adverse impact on the cost of production.

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

INTERNAL FINANCIAL CONTROL

The Company has comprehensive internal financial control system for all major processes to ensure reliability of reporting. The system also helps management to have timely data / feedback on various operational parameters for effective review. It also ensures proper safeguarding of assets across the Company and its economical use. The internal financial control system of the Company is commensurate with the size, scale and complexity of its operations. The systems and controls are periodically reviewed and modified based on the requirement. The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process. The scope of Internal Audit is well defined and documented and the audit committee reviews the observations of the Internal Audit critically. The composition and working of the audit committee forms part of the Corporate Governance Report.

INFORMATION TECHNOLOGY (IT)

IT@HIL continues to support the enterprise with digital technologies while improving IT Architecture, management and governance and has been playing an important role in strengthening the Information framework supplemented with in-time MIS, thereby helping business grow with the desired speed.

With the objective to build a robust and secured information network, yet not compromising on the information availability to business stakeholders, IT@HIL is in the process of re-implementing SAP.

To improve the efficiency of the sales force, in continuation to last year, Sales force automation has been extended to all business. Strengthening and enhancing the service levels of IT Support both Infra & Application endorse our endeavor in line with the business transformation initiatives.

HUMAN RESOURCES/EMPLOYEE RELATIONS

Your company believes in accelerated growth through people and recognizes the fact that human resource is highly valuable and an essential asset and we strive to continuously develop our talent to face future challenges & make them ready for adapting to the changing business environment.

Your Company is committed to the welfare and career growth of its people. The company has automated few of the HR processes to make them more robust. The recruitment is totally aligned to attract best quality & diversified Talent. Last financial year, the management focused on creating a framework for Talent to develop them into high performing individuals through focused leadership programs coupled with 'Break Through Projects' and 'Action Learning Projects'. The Company's management firmly believes that a strong and stable industrial relation is essential for success of any organisation. Over the years the management has made sincere and continued efforts for the development of an atmosphere of mutual cooperation, confidence and respect duly recognizing the rights of the workers. A very rigorous labour law compliance mechanism is in place to help us run our businesses in the most ethical manner.

As on 31st March, 2015, the Company had 1728 employees.

ENVIRONMENT, HEALTH & SAFETY

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

CAUTIONARY STATEMENT

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

Annexure (II): 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)

1. Details of contracts or arrangements or transactions not at arm's length basis :

No transactions.

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
1.	Orient Cement Ltd (Director is a Director of the Company and holds more than 2% of the Share Capital)	1. Sale of Goods 2. Purchase of Raw Material 3. Receipt of Rent & property Tax	01-04-2014 to 31-03-2015	1. Sale of Goods - ₹ 300.54 lacs 2. Purchase of Raw Material - ₹ 6.77 lacs 3. Receipt of Rent & property Tax - ₹ 91.71 lacs Total = ₹ 399.02 lacs	NA	Nil
2.	Orient Paper & Industries Limited (Director is a Director of the Company and holds more than 2% of the Share Capital)	1. Sale of Goods 2. Purchase of Raw Material 3. Receipt of Rent & property Tax	01-04-2014 to 31-03-2015	1. Sale of Goods - ₹ 2.64 lacs 2. Purchase of Raw Material - ₹ 29.68 lacs 3. Receipt of Rent & property Tax - ₹ 46.18 lacs Total = ₹ 78.51 lacs	NA	Nil
3.	Supercor Industries Ltd (Associate Company- HIL holds 33% of the Share Capital)	Sale of Goods	01-04-2014 to 31-03-2015	Sale of Goods - ₹ 41.13 lacs	NA	Nil
4.	Khaitan & Co LLP (Director is a Partner)	Professional Legal Services	01-04-2014 to 31-03-2015	Expenditure for Professional Legal Services - ₹ 2.94 lacs	NA	Nil

Annexure (III): Directors' Responsibility Statement

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

- i) That in preparation of the Annual Accounts for the year ended 31st March, 2015; all the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- ii) That the Directors have adopted such accounting policies, as selected in consultation with Statutory Auditors, and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended 31st March, 2015.
- iii) That the Directors 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) That the Annual Accounts for the year ended 31st March, 2015, has been prepared on a going concern basis.
- v) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

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

The Board of Directors, on recommendation of the Corporate Social Responsibility Committee framed a Corporate Social Responsibility Policy which is posted in the Investors section of the Company's website www.hil.in. The Company proposes to adopt projects or programmes under one or more of the activities as prescribed under Schedule VII of the Companies Act, 2013, as amended from time to time

Weblink: The Corporate Social Responsibility Policy is posted in the Investors section of the Company's website www.hil.in on the following link <http://hil.in/investors/codes-policies/>.

2. Composition of the CSR Committee:

- Mr. Desh Deepak Khetrpal, Chairman (Non-Independent Director)
- Mr. Yash Paul, (Independent Director)
- Mrs. Gauri Rasgotra, (Independent Director)

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

Average net profit: ₹ 6944 Lakhs

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

The Company is required to spend: ₹ 138.88 lakhs towards CSR.

5. Details of CSR spent during the financial year:

a) Total amount spent for the financial year: ₹ 6.57 lacs

b) Amount unspent, if any: ₹ 132.31 lacs

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

Sl. No.	Projects/Activities	Sector	Locations Districts (State)	Amount Outlay (budget) Project or Programs wise ₹ Lacs	Amount Spent on the Project or Programs ₹ Lacs	Cumulative expenditure upto reporting period	Amount spent: Direct or through implementing agency
1.	Setting up toilet block in Girls School	Promoting sanitation	Wada, Thane Dist, Maharashtra	4.61	4.61	4.61	Direct
2.	Setting up an RO Plant	Providing safe drinking water	Thimmapur, Maboobnagar Dist, Telanagana.	1.66	1.66	1.66	Direct
3.	School Books Distribution	Promoting education	Golan, Tapi Dist, Gujarat.	0.30	0.30	0.30	Direct

6. Reasons for not spending two percent of the average net profit of the last three financial years on CSR:

The Company has a tradition of supporting philanthropic causes and making generous contributions for this purpose. This year also has been no exception. However, for discharge of Corporate Social Responsibility (CSR), as defined in the Act, the CSR Committee considered various proposals. To ensure that the contributions made by the Company are for deserving causes and are properly utilized, by the year end, the CSR Committee was still evaluating various such proposals. The CSR Committee is optimistic that it will be in a position to make positive suggestions for greater CSR spend in the coming year. In these circumstances, the Company could not spend a minimum of 2% of its average net profits for CSR, as defined in the Act, during the year.

7. The CSR Committee Confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the company.

Sd/- Mr. CK Birla Chairman-Board of Directors	Sd/- Mr. Desh Deepak Khetrpal Chairman-CSR Committee
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Annexure (V): Secretarial Audit Report
**Form No. MR-3
SECRETARIAL AUDIT REPORT**

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

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

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, 2015 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, 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) 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;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. The industry specific major law that is applicable to the company is Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 under the Environment (Protection) Act, 1986.

4. We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange Limited
5. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

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

However, the casual vacancy caused in the office of Managing Director, due to the resignation of Mr. Abhaya Shankar w.e.f 22.09.2014 was filled up on 20.04.2015 i.e., after the prescribed period of 6 Months. We have observed that, the candidature of Mr. Prashant Vishnu Vatkar for the office of the Managing Director was finalized and in principle approval for his appointment was accorded by the Board of Directors of the Company on 19.01.2015 but the actual joining and appointment got delayed due to the appointee's personal reasons and procedural requirements under the Act .

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

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

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

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

For P S Rao & Associates
Company Secretaries

Sd/-

N Vanitha

Company Secretary
C P No: 10573

Place : Hyderabad
Date : 27.04.2015

Annexure (VI): Extract of Annual Return
EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9
I. Registration and other details

CIN	L74999TG1955PLC000656
Registration Date	17.06.1946
Name of the Company	HIL Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	L7 Floor, SLN Terminus, Sy No.133, Gachibowli, Hyderabad -500032, Telangana. Tel: 040-30999121
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Venture Capital and Corporate Investments Private Limited. 12-10-167, Bharat Nagar, Hyderabad - 500018 Tel: 040-23818475 / 76

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
Fibre cement sheets	26959	81.22

III. Particulars of Holding, Subsidiary and Associate Company

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Supercor Industries Ltd, 5 Ashaka Close, Industrial Estate, P.O. Box 51, Bauchi, Nigeria	Foreign Company	Associate Company (Joint Venture)	33%	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	51376	-	51376	0.69	51376	-	51376	0.69	0.00
b) Central Govt./State Govt.(s)	-	-	-	0.00	-	-	-	0.00	-
c) Bodies Corporate	3007836	-	3007836	40.30	3007836	-	3007836	40.30	0.00
d) Banks / FI	-	-	-	0.00	-	-	-	0.00	-
e) Any Other....	-	-	-	0.00	-	-	-	0.00	-
Sub-Total (A)(1):	3059212	-	3059212	40.99	3059212	-	3059212	40.99	0.00
(2) Foreign									
a) NRIs - Individuals	-	-	-	0.00	-	-	-	0.00	-
b) Other - Individuals	-	-	-	0.00	-	-	-	0.00	-
c) Bodies Corporate	-	-	-	0.00	-	-	-	0.00	-
d) Banks / FI	-	-	-	0.00	-	-	-	0.00	-
e) Any Other....	-	-	-	0.00	-	-	-	0.00	-
Sub-Total (A)(2):	-	-	-	0.00	-	-	-	0.00	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	3059212	-	3059212	40.99	3059212	-	3059212	40.99	0.00
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	45593	486	46079	0.62	45593	486	46079	0.62	0.00
b) Banks / FI	10864	4525	15389	0.21	8817	4525	13342	0.18	(0.03)
c) Central Govt./ State Govt.(s)	305552	-	305552	4.09	305552	-	305552	4.09	0.00
d) Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	-
e) Insurance Companies	780	-	780	0.01	-	-	-	0.00	(0.01)
f) FIs	2950	-	2950	0.04	1200	-	1200	0.02	(0.02)
g) Foreign Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	-
h) Others (specify)	-	-	-	0.00	-	-	-	0.00	-
Sub-Total (B)(1):	365739	5011	370750	4.97	361162	5011	366173	4.91	(0.06)

(Contd.)

Category-wise Shareholding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate	880285	2222	882507	11.83	808609	2222	810831	10.87	(0.96)
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs 1 lakh	2246393	132392	2378785	31.88	2173107	132904	2306011	30.90	(0.98)
ii) Individual Shareholders holding nominal share capital in excess of Rs 1 lakh	462915	-	462915	6.20	639502	-	639502	8.57	2.37
c) Others (specify)									
i) Qualified Foreign Investors	-	-	-	0.00	-	-	-	0.00	-
ii) Clearing Member	61011	-	61011	0.82	76282	-	76282	1.02	0.20
iii) Trust	-	-	-	0.00	100	-	100	-	-
iv) Non Resident Individuals	116519	8864	125383	1.68	82452	-	82452	1.10	(0.58)
v) Foreign Bodies Corporate	122000	-	122000	1.63	122000	-	122000	1.63	0.00
vi) Foreign Nation	-	-	-	0.00	-	-	-	0.00	0.00
Sub-Total (B)(2):	3889123	143478	4032601	54.04	3902052	135126	4037178	54.10	0.05
Total Public Shareholding (B)=(B)(1)+(B)(2)	4254862	148489	4403351	59.01	4263214	140137	4403351	59.01	0.0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	7314074	148489	7462563	100.00	7322426	140137	7462563	100.00	0.05

ii) Shareholding of Promoters

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

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

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

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the Year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14) /end of the Year (31-03-15)	% of total shares of the company				No. of Shares	% of total shares of the Company
1.	Governor of Andhra Pradesh	305552	4.09	1-Apr-2014	0	Nil Movement during the year		
		305552	4.09	31-Mar-2015	0		305552	4.09
2.	Finquest Financial Solutions Pvt. Ltd.	235400	3.15	1-Apr-2014				
				6-Jun-2014	-5500	Transfer	229900	3.08
				25-Jul-2014	-15000	Transfer	214900	2.88
				01-Aug-2014	-9676	Transfer	205224	2.75
				08-Aug-2014	-127113	Transfer	78111	1.05
				05-Sep-2014	-20000	Transfer	58111	0.78
				12-Sep-2014	-53111	Transfer	5000	0.07
				18-Oct-2014	-5000	Transfer	0	0.00
		0	0.00	31-Mar-2015			0	0.00
3.	Sarosh S Parakh	80325	1.08	1-Apr-2014				
				16-Jan-2015	-30000	Transfer	50325	0.67
				23-Jan-2015	-15000	Transfer	35325	0.47
				30- Jan-2015	8400	Transfer	43725	0.58
				06-Feb-2015	14275	Transfer	58000	0.78
		58000	0.78	31-Mar-2015			58000	0.78
4.	Delhi Iron & Steel Co (P) Ltd.	77000	1.03	1-Apr-2014				
				14Nov-2014	-14762	Transfer	62238	0.83
				28-Nov-2014	-11995	Transfer	50243	0.67
				05-Dec-2014	-12533	Transfer	37710	0.50
				12-Dec-2014	-26976	Transfer	10738	0.14
				19-Dec-2014	-10365	Transfer	373	0.004
0	0.00	31-Mar-2015			0	0.00		
5.	Asif Alladin Aamir Alladin	64140	0.86	1-Apr-2014		Nil Movement during the year		
		64140	0.86	31-Mar-2015			64140	0.86
6.	Delhi Iron and Steel Co Pvt Ltd	62283	0.83	1-Apr-2014				
				30-Jun-2014	1000	Transfer	63283	0.84
				22-Aug-2014	-2550	Transfer	60733	0.81
				29-Aug-2014	-18695	Transfer	42038	0.56

(Contd.)

Shareholding Pattern of Top Ten Shareholders (Contd.)

				19-Sep-2014	-14075	Transfer	27963	0.37
				26-Sep-2014	-2861	Transfer	25102	0.33
				07-Nov-2014	-8156	Transfer	16946	0.22
				14-Nov-2014	-11211	Transfer	5735	0.07
		0	0.00	31-Mar-2015			0	0.00
7.	M/s R R Bamfield Investments Ltd.	61000	0.82	1-Apr-2014		Nil Movement during the year		
		61000	0.82	31-Mar-2015			61000	0.82
8.	M/s Edzer Ltd.	61000	0.82	1-Apr-2014		Nil Movement during the year		
		61000	0.82	31-Mar-2015			61000	0.82
9.	Mohan Gupta	50000	0.67	1-Apr-2014				
		74000	0.99	30-Sep-2014	24000	Transfer	74000	
		74000	0.99	31-Mar-2015			74000	0.99
10.	Shri Jagannath Educational Institute	50000	0.67	1-Apr-2014		Nil Movement during the year		
		50000	0.67	31-Mar-2015			50000	0.67
11.	Finquest Securities Pvt. Ltd.	0	0.00	1-Apr-2014				
		250000		31-Mar-2015	250000	Purchase	250000	3.35
12.	Minal Bharat Patel	6	0.00*	1-Apr-2014				
				8-Aug-2014	70300	Transfer	70306	
				31-Mar-2015			70306	0.94
13.	Bharat Jayantilal Patel	100	0.001	1-Apr-2014				
				09-May-2014	88	Transfer	188	0.002
				16-May-2014	50	Transfer	238	0.003
				6-Jun-2014	5500	Transfer	5738	0.07
				8-Aug-2014	23238	Transfer	28738	0.38
				5-Sep-2014	19613	Transfer	48351	0.64
				12-Sep-2014	-9191	Transfer	39160	0.52
				19-Sep-2014	-22264	Transfer	16896	0.22
				26-09-2014	-2464	Transfer	14432	0.19
				14-Nov-2014	900	Transfer	15332	0.20
				31-12-2014	37694	Transfer	53026	0.71
		53026	0.71	31-Mar-2015			53026	0.71

* 0.00008040133

v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. CK Birla	51376	0.69	51376	0.69
Mr. P Vaman Rao	-	-	-	-
Mr. Yash Paul	-	-	-	-
Mr. Desh Deepak Khetrapal	-	-	-	-
Mrs. Gauri Rasgotra	-	-	-	-
Mr. Abhaya Shankar*	2997	0.04	2997	0.04
Mr. KR Veerappan, Chief Financial Officer	-	-	-	-
Mr P Rajesh Kumar Jain, Company Secretary & Compliance Officer	-	-	-	-

*Mr. Abhaya Shankar resigned w.e.f. 22nd September 2014.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness ₹ Lacs
Indebtedness at the beginning of the financial year				
i) Principal Amount	2054.34			2054.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	2054.34			2054.34
Change in Indebtedness during the financial year				
Addition	817.72	-	-	817.72
Reduction	-	-	-	-
Net Change	817.72	-	-	817.72
Indebtedness at the end of the financial year				
i) Principal Amount	2872.06	3467.59	-	6339.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.96	-	1.96
TOTAL (i+ii+iii)	2872.06	3469.55	-	6341.61

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr. Abhaya Shankar Managing Director* (Rs in Lacs)
	Gross Salary	
1.	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	141.29
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	2.38
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2.	Stock Options	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify....	-
5.	Others, please specify	
	a) performance Variable pay for FY 2014-15	21.57
	b) performance Variable pay for FY 2013-14	25.00
	c) Employers contribution to PF	4.56
	d) Gratuity	18.06
	TOTAL (A)	212.86

*resigned w.e.f. 22nd September 2014.

B. Remuneration to other Directors:

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount (Rs in Lacs)
		Mr. P Vaman Rao	Mr. Yash Paul	Mrs. Gauri Rasgotra	
1.	Fee for attending Board/ Committee Meetings	6.50	8.40	8.40	23.30
2.	Commission	10.00	10.00	10.00	30.00
3.	Others, please Specify	-	-	-	-
	TOTAL (1)	16.50	18.40	18.40	53.30

2. Other Non Executive Directors

Sl. No.	Particulars of Remuneration	Name of Director		Total Amount (Rs in Lacs)
		Mr. CK Birla	Mr. Desh Deepak Khetrpal	
1.	Fee for attending Board/ Committee Meetings	2.70	6.40	9.10
2.	Commission	35.00	20.00	55.00
3.	Others, please Specify	-	-	-
	TOTAL (2)	37.70	26.40	64.10
	TOTAL B = (1+2)			117.40

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Name of Director		Total Amount (₹ in Lacs)
		Mr KR Veerappan Chief Financial Officer	Mr P Rajesh Kumar Jain Company Secretary & Compliance Officer	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	80.76	16.55	97.31
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0	0	0
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0
2.	Stock Options	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	- as % of profit	0	0	0
	- Others, specify....	0	0	0
5.	Others, please specify-Employer's PF Contribution	4.08	0.81	4.89
	TOTAL (C)	84.84	17.36	102.20

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Annexure (VII):**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:**

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

(ii) Steps taken by the company for utilising alternate sources of energy:

In pursuit of reducing carbon footprint, your Company in addition to using renewable fuel in place of Furnace oil in one of its plants, during the year under review has setup a 2.0 MW Wind Power Plant in Rajasthan. The Company has in total setup 9.35MW Wind Power Projects in Gujarat, Tamilnadu and Rajasthan. The energy generated from these projects is partly used for captive consumption at the Company's AAC Blocks manufacturing units in Gujarat and Tamilnadu. Your Company is making constant efforts to explore further areas of improvement as part of the ongoing program to optimize usage of energy.

(iii) Capital investment on energy conservation equipment: ₹ 103 lacs.**(B) Technology absorption-****(i) Efforts made towards technology absorption:**

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

- Develop substitutes for raw materials to address issues of declining availability of raw material and also for cost savings.
- Developing new mix of raw materials for better product attributes and lower costs.
- 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.

e. Development of new, improved and value added Green Building Products like Aerocon C-board, sheets and Infill wall system.

f. Develop new applications for our existing products.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

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

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

(iii) The Company has not imported any technology during the last three years reckoned from the beginning of the financial year under review.**(iv) Expenditure incurred on Research and Development:**

	2014-2015 (₹ in lacs)
a. Capital	9.34
b. Recurring	345.66
c. Total	355.00
d. Total R&D expenditure as a Percentage of total net turnover	0.32%

(C) Foreign exchange earnings and Outgo-

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

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

	2014-15 (₹ in lacs)
A Foreign Exchange Earned	
Export of Goods (FOB)	298.98
Others	48.24
TOTAL	347.22
B Foreign Exchange Used	
Raw Materials, Components, Spares and Capital Goods (CIF)	31128.40
Other matters	554.56
TOTAL	31682.96

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2014-15, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of the Director/ KMP (Designation)	Remuneration for FY 2014-15 (₹ in lacs)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2014-15	comparison of remuneration of each KMP against the performance of the Company
1.	Mr. CK Birla (Chairman)	35.00	12.96	1134.57	NA
2.	Mr. P Vaman Rao (Independent Director)	10.00	3.70	252.73	NA
3.	Mr. Yash Paul (Independent Director)	10.00	3.70	252.73	NA
4.	Mrs. Gauri Rasgotra (Independent Director)	10.00	3.70	NA	NA
5.	Mr. Desh Deepak Khetrpal (Non Executive Director)	20.00	7.40	605.47	NA
6.	Mr. Abhaya Shankar (Managing Director)	212.86	NA*	NA*	Revenue increased by 27%, PBT increased by 830% and PAT increased 838% during the FY 2014-15
7.	Mr. KR Veerappan (Chief Financial Officer)	84.84	31.42	NA**	
8.	Mr. P Rajesh Kumar Jain (Company Secretary & Compliance Officer)	17.36	6.43	18.37	

* Details not provided as Mr. Abhaya Shankar resigned as a Managing Director of the Company w.e.f. 22nd September 2014.

** Details not provided as Mr. KR Veerappan was appointed as CFO w.e.f. 6th February 2014.

2. The median remuneration of employees of the Company during the financial year 2014-15 was ₹ 2.70 lacs against the median remuneration of ₹ 2.52 lacs during the previous year signifying an increase of 7.14 % in the financial year;
3. As on 31st March 2015, there were 1728 permanent employees on the rolls of Company;
4. The relationship between average increase in remuneration and company performance: The Revenue and Profit before Tax for the financial year ended March 31, 2015 increased by 27% and 830% respectively. The average increase in remuneration of all the employees of the Company was 7.4%.
5. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration paid to Key Managerial Personnel for the financial year ended March 31, 2015 decreased by 9.10%, whereas the Revenue and Profit before Tax for the financial year ended March 31, 2015 increased by 27 % and 830% respectively.
6. a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2015 was ₹ 455.85 crores and was ₹ 221.82 Crores as at March 31, 2014 signifying an increase of 105.50% (based on the closing price of the Company's equity shares on NSE as on that respective dates)

- b) Price Earnings ratio of the Company: The price earnings ratio was 6.82 as at March 31, 2015 and was 31.09 as at March 31, 2014.
- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer: The Company in the year 1992-93, through Rights issue, issued 15% Secured Redeemable Partly Convertible Debentures of ₹ 160/- each of which the convertible portion of ₹ 60/- was converted into one equity share of ₹ 10/- each at a premium of ₹ 50/- per share. The amount of ₹ 60/- invested for one equity share of ₹ 10/- each is worth ₹ 610.85 as on 31st March 2015 indicating a Compounded Annual Growth Rate of 11.52%, excluding the dividend accrued thereon.
7. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 7.00 % whereas the percentage increase in the managerial remuneration in the last financial year i.e. 2014-15 was 4.97%.
8. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company.
9. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable;
10. Particulars of employees as required under rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name & Designation of the Employee	Remuneration for FY 2014-15 (₹ in lacs)	Qualification and age (in years)	Date of commencement of employment and total experience (in years)	Last employment
1.	Abhaya Shankar* - Managing Director	212.86	B.Tech (Mech) & MBA (PGDBM) (59 Yrs)	01-Feb-08 (33 Yrs)	Tenneco Automotive India Pvt Ltd
2.	Sharad Dalmia - Head - Manufacturing Excellence	89.75	BE (Mechanical), M.Tech (Elec) (50 Yrs)	18-Apr-11, (29 yrs)	United Breweries Ltd
3.	Alok Jain - COO (APP)	76.80	B.Tech (Chemical) & PGPM (36 Yrs)	15-Dec-12 (14 Yrs)	Bharat Forge Ltd
4.	V Jayachandran - COO (Roofing)	77.61	B.Tech (Electronics) & PGDBM (46 Yrs)	01-Jan-14 (22 Yrs)	Garuda Foods
5.	KR Veerappan - CFO	84.84	B.Com (Hons), ACA (48 Yrs)	06-Feb-14 (25 Yrs)	Global Green Company Ltd
6.	Rajiv Prakash Upadhyay - COO (Blocks, Panels and Hysil)	93.46	BE, ME (Engineering) & GMP (43 Yrs)	20-Mar-14 (19 Yrs)	Jindal Architecture Ltd
7.	Uma Rao - CHRO	63.96	BA & MA (HR) (48Yrs)	16-Apr-14 (25 Yrs)	Mars International Ltd

* Mr. Abhaya Shankar resigned as a Managing Director of the Company w.e.f. 22nd September 2014.

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

Notes:

- All appointments of the employees referred in 10 above are contractual and terminable by notice on either side.
- Remuneration includes salary, variable pay paid during the financial year, various allowances, contribution to provident fund and super annuation fund, taxable value of perks and gratuity paid but excluding sitting fees and gratuity provision.
- As on 31st March 2015, Mr. Abhaya Shankar holds 0.04% of equity shares held in the company. None of the other employees hold any equity shares in the Company as on 31st March 2015.
- None of the employees mentioned above is related to any director of the Company.
- Information about qualifications, age, experience and last employment is based on particulars furnished by the concerned employee and has not been independently verified by the Company.

Report on Corporate Governance

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to the highest standards of Corporate Governance. The Company relies on the strong Corporate Governance systems and policies of business for healthy growth, accountability and transparency. Good Corporate Governance framework enables the Board and Management to achieve the goals and objectives effectively for the benefit of the Company and its Shareholders. The Code of Corporate Governance emphasizes on transparency of systems to enhance the benefits to Shareholders, Customers, Creditors and Employees of the Company. In addition to compliance with regulatory requirements, the Company endeavors to ensure that the highest standard of ethical conduct is maintained throughout the organisation.

The Company has complied with the requirements of the Corporate Governance Code in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as disclosed herein below.

2. BOARD OF DIRECTORS

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

The Board of Directors presently comprises of five Directors, having rich experience and specialized skills in their respective fields, out of which four are Non-Executive Directors. The Company has a Non-Executive Chairman and three Independent Directors comprising more than 50% of the total strength of the Board. The Non-Executive Directors are also more than 50% of the total number of Directors with the Managing Director being the only Executive Director on the Board of the Company.

All the Directors on the Board of the Company have made necessary declarations/disclosures regarding their other directorships along with Committee positions held by them in other Companies.

During the year under review, six Board Meetings were held on 8th May, 2014, 18th July, 2014, 16th September, 2014, 17th October, 2014, 23rd December, 2014 and 19th January, 2015. The maximum time-gap between any two consecutive meetings did not exceed four months. The composition of the Board of Directors, their directorship details and the attendance of each Member at the meetings were as follows:

Name of the Director	Category of Directorship	No. of Board Meetings held during the Year of his/her directorship	No. of Meetings attended	Number of other Directorships*	Number of other Committee Memberships	Attendance at last AGM	Share-holding
Mr. CK Birla	Chairman Promoter Non-Executive	6	6	6	-	Yes	51376
Mr. P Vaman Rao	Director Non-Executive & Independent	6	5	-	2	Yes	NIL
Mr. Yash Paul	Director Non-Executive & Independent	6	6	-	4	Yes	NIL
Mr. Desh Deepak Khetrpal	Director Non-Executive & Non-Independent	6	6	2	3	Yes	NIL
Mrs. Gauri Rasgotra**	Director Non-Executive & Independent	6	6	2	4	Yes	NIL
Mr. Abhaya Shankar***	Managing Director	3	3	-	-	Yes	2997

* Excludes directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

** Appointed as Additional Director w.e.f 8th May 2014.

*** Resigned as Managing Director of the company with effect from 22nd September, 2014.

Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, Clause 49 of the Listing Agreement and other relevant regulations and his affirmation taken with respect to the same. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director & CEO on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the manufacturing site etc. On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members.

3. COMMITTEES OF DIRECTORS

3.1 Audit Committee

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors and one Non-Executive Non-independent Director in accordance with the provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

The Committee is empowered with the powers as prescribed under Clause 49 of Listing Agreement 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, five Audit Committee Meetings were held on 08th May, 2014, 18th July, 2014, 22nd August, 2014, 17th October, 2014 and 19th January, 2015. The composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

Sl. No.	Name of the Director	Category	No. of meetings held during the year of his/her membership	No of meetings attended
1.	Mr. Yash Paul	Chairman	5	5
2.	Mr. P Vaman Rao	Member	5	4
3.	Mr. Desh Deepak Khetrapal	Member	5	5
4.	Mrs. Gauri Rasgotra*	Member	5	5

* Appointed as a member of the Audit Committee w.e.f. 08th May 2014.

The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

The Managing Director, Chief Financial Officer, Internal Auditors and Statutory Auditors are also invited to the meetings, to brief the Committee and to answer and clarify queries raised at the Committee Meetings. The Company Secretary acts as the Secretary of the Committee.

3.2 Nomination and Remuneration Committee

In compliance with the provisions of section 178 of the Companies Act 2013, read along with clause 49 of the listing agreement, the Board at its meeting held on 8th May 2014 considered and approved the change in the nomenclature of the existing Remuneration Committee as the "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee comprises of three Non-Executive Directors out of which two are Independent. During the year under review, three meetings of the Remuneration Committee was held on 8th May, 2014, 16th September, 2014 and 19th January, 2015. The composition of the Nomination and Remuneration Committee and the attendance at its meeting is as follows:

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

The Nomination and Remuneration Committee reviews the remuneration package payable to Executive Director(s) and Executives in the top level Management of the Company and gives its recommendation to the Board and acts in terms of reference of the Board from time to time.

The details of remuneration and performance bonus paid during the year to Mr. Abhaya Shankar, who resigned as Managing Director of the company with effect from 22nd September, 2014, were as follows:

Particulars	Amount (₹ in Lacs)
Salary	38.01
Allowance, Perquisites & Others	88.04
Performance Variable Pay	21.57
TOTAL	147.62

Apart from the above, he was also eligible for the Leave Encashment, Leave Travel Concession, Gratuity and Contribution to Provident Funds and other benefits in terms of his appointment and rules of the Company.

The Members, at the Annual General Meeting held on 21st July, 2011 approved the payment of remuneration by way of commission to the Non-Whole-time Directors of the Company, for a period of five years, for each financial year commencing from 1st April, 2011. All the Non-executive Directors are eligible to receive Commission up to a maximum of 1% of profits calculated in accordance with the provisions of Section 197, of the Companies Act 2013, in addition to the sitting fees.

The remuneration by way of commission to the Non-Executive Directors is approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and distributed to them based on their contribution as well as time spent on operational matters other than at the meetings. The details of sitting fees, for attending the Board Meetings and Committee Meetings, and Commission for the year under review are as follows:

Name of the Director	Sitting Fees (₹ in Lacs)	Commission (₹ in Lacs)
Mr. CK Birla	2.70	35.00
Mr. P Vaman Rao	6.50	10.00
Mr. Yash Paul	8.40	10.00
Mr. Desh Deepak Khetrpal	6.40	20.00
Mrs. Gauri Rasgotra	8.40	10.00

Other than the sitting fees and commission paid to Non-Executive Directors there were no material pecuniary relationship or transaction with the Company.

The Company has not issued any stock options to its Directors /employees.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee has adopted a Nomination and Remuneration Policy which, inter alia, deals with the manner of selection of Board of Directors, Key Managerial Personnel & Senior Management and their remuneration. The relevant extract of the same is as follows:

1. APPOINTMENT OF DIRECTORS, KMP OR SENIOR MANAGEMENT PERSONNEL

The Nomination and Remuneration Committee identifies and ascertains the integrity, qualification,

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

2. REMUNERATION OF DIRECTORS, KMP OR SENIOR MANAGEMENT PERSONNEL

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

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

Remuneration to Executive Director and KMP

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

Remuneration to Directors other than Executive Director:

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

Remuneration to Senior Management Personnel:

The remuneration payable to Senior Management Personnel including their increments will be

determined by the Managing Director and recommended to the Nomination and Remuneration Committee for approval. Senior Management shall be eligible for a monthly remuneration as may be approved by the Committee. The Senior Management Personnel participate in a performance linked variable pay scheme which is based on the individual's and company's performance for the year, pursuant to which the Senior Management may be entitled to performance-based variable remuneration.

3.3 Stakeholders Relationship Committee:

In compliance with the provisions of section 178 of the Companies Act 2013, read along with clause 49 of the listing agreement, the Board at its meeting held on 8th May 2014 considered and approved the change in the nomenclature of the existing Investors Relations Committee as the "Stakeholders Relationship Committee".

The Stakeholders Relationship Committee comprises of three Independent Non-Executive Directors. During the year under review, four Stakeholders Relationship Committee Meetings were held on 08th May, 2014, 18th July, 2014, 17th October, 2014 and 19th January, 2015. The composition of the Stakeholders Relationship Committee and the attendance of each Member of the Committee at the meetings were as follows:

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

The Stakeholders Relationship 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 certificate transmission of shares and other miscellaneous complaints. In accordance with Clause 49 of the Listing Agreement, the Board has authorised the Company Secretary, who is also the Compliance Officer, to approve share transfers / transmissions and is empowered to oversee the redressal of investor complaints.

Mr. P Rajesh Kumar Jain, Company Secretary is the Compliance Officer of the Company. All investor complaints, which cannot be settled at the level of the

Compliance Officer, are placed before the Committee for final settlement.

Sixteen investor complaints were received during the year under review, which were resolved at the level of the Compliance Officer itself. There were no pending investor complaints pertaining to the Financial Year ended 31st March, 2015.

3.4 Corporate Social Responsibility (CSR) Committee:

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

The Terms and Reference of the Committee are as follows:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy;
- recommend the amount of expenditure to be incurred on the activities as specified in Schedule VII of the Companies Act;
- monitor the Corporate Social Responsibility Policy of the company from time to time.
- To do such act as specifically prescribed by Board and
- To carry out such other functions, and is empowered to act as required, in terms of Companies Act 2013, read with rules framed there under, Listing Agreement and rules and regulations framed by Securities Exchange Board of India, including any amendment or modification thereof.

The Corporate Social Responsibility (CSR) Committee comprises of three Non-Executive Directors out of which two are Independent. During the year under review, one Corporate Social Responsibility (CSR) Committee Meeting was held on 17th October, 2014. The composition of the Corporate Social Responsibility (CSR) Committee and the attendance of each Member of the Committee at the meetings were as follows:

Sl. No.	Name of the Director	Category	No. of meetings held during the year of his/her membership	No of meetings attended
1.	Mr. Desh Deepak Khetrupal	Chairman	1	1
2.	Mr. Yash Paul	Member	1	1
3.	Mrs. Gauri Rasgotra	Member	1	1

Independent Directors' Meeting

During the year under review, the Independent Directors met on December 23rd, 2014, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

4. GENERAL BODY MEETINGS

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

Financial Year Ended	Day	Time
31st March, 2014	18th July, 2014	3.00 P.M
31st March, 2013	30th July, 2013	3.00 P.M.
31st March, 2012	20th July, 2012	3.00 P.M.

- b. All special resolutions moved at the last three Annual General Meetings were passed by show of hand by the shareholders present at the meeting. The details of Special Resolution(s) passed at the last three Annual General Meetings are as follows:

In the Annual General Meeting held on 20th July, 2012:

1. Change of Name of the Company from Hyderabad Industries Limited to HIL Limited
2. Re-appointment of Mr. Abhaya Shankar as Managing Director.

In the Annual General Meeting held on 30th July, 2013:

1. Modification in terms of Re-appointment of Mr. Abhaya Shankar, Managing Director by providing eligibility of CEO club

In the Annual General Meeting held on 18th July, 2014:

NIL

The details of the Special Resolution passed through Postal Ballot on 30th August, 2014:

1. Approval of waiver of recovery of excess remuneration paid to Mr. Abhaya Shankar, Managing Director during the financial year 2013-14.

5. DISCLOSURES:

Disclosures on Materially Significant Related Party Transactions:

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.

Details of Non-Compliance and Penalties:

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any Stock Exchanges, Securities and Exchange Board of India or any Statutory Authority relating to the capital markets.

CEO/CFO Certification:

The Managing Director and Chief Financial Officer have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2015.

Compliance Certificate:

Compliance Certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this Report.

Code of Conduct:

The Company has posted the Code of Conduct for Directors and Senior Management on its website. The Code of Conduct is applicable to all Directors and Senior Management Personnel of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conducts for the Financial Year ended 31st March, 2015. A declaration to this effect, duly signed by the Managing Director is annexed hereto and forms part of this Report.

Details of Compliance with Mandatory Requirements and Adoption of the Non-mandatory Requirements:

The Company has complied with the mandatory requirements of Clause 49 and is in the process of implementation of Non-mandatory requirements.

Relationships inter-se among Directors:

In accordance with the provisions of Sub-Section (77) of Section 2 of the Companies Act, 2013, none of the Director(s), on the Board of the Company is related to each other.

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.

All Board Directors and the designated employees have confirmed compliance with the Code.

6. MEANS OF COMMUNICATION

Quarterly and half-yearly reports are published in two Newspapers - one in English and one in Telugu.

The Financial Results are submitted to the Stock Exchanges within the stipulated time in accordance with the Listing Agreement and simultaneously displayed on the Company's website www.hil.in. The Company Law Department of the Company serves to keep the investors informed by providing key and timely information like details of Directors, Financial Results, Shareholding Pattern, etc.

The Company also displays official news on its website www.hil.in.

7. GENERAL SHAREHOLDER'S INFORMATION:

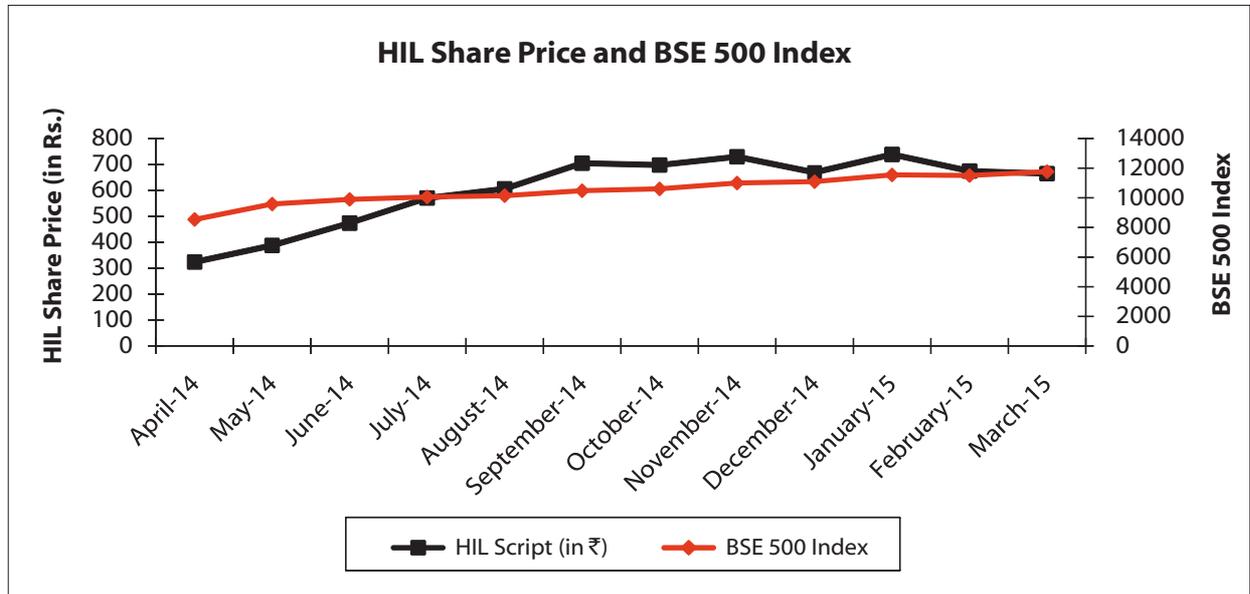
Date, time and Venue	:	Thursday, 30th July, 2015 at 3.00PM Asbestos Centre, Road No. 13, Banjara Hills, Hyderabad
Financial year	:	1st April, 2014 to 31st March, 2015
Book Closure	:	From 24th July, 2015 to 30th July, 2015 (both days inclusive)
Dividend Payment Date	:	Within one Week from the date of declaration in the Annual General Meeting.
Listing on Stock Exchanges	:	1) Bombay Stock Exchange 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	:	
Name of the Stock Exchange		Stock Code/Symbol
Bombay Stock Exchange Limited		509675 / HIL
National Stock Exchange of India Ltd.		HIL

The Listing fee for the year 2015-2016 has been paid to both the above said Stock Exchanges.

Market Price Data

High, low during each month and trading volumes of the Company's Equity Shares during the financial year 2014-15 at the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited are given below:

Month	Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Ltd., (NSE)			BSE 500 Index	
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded	High	Low
Apr-14	323.20	291.05	56740	323.95	290.25	136023	8536.72	8259.00
May-14	385.00	280.00	90406	388.00	278.20	243207	9578.21	8296.19
Jun-14	476.00	346.00	150669	474.00	342.60	484402	9891.69	9233.01
Jul-14	568.75	421.10	104073	570.70	423.70	324351	10055.76	9460.05
Aug-14	605.00	523.00	160396	606.00	522.00	283221	10145.51	9606.24
Sep-14	705.00	560.00	303985	705.00	550.00	737693	10478.05	9972.19
Oct-14	685.00	600.05	180909	698.00	621.30	428829	10602.46	9840.84
Nov-14	730.00	650.00	160730	730.00	650.00	290464	10997.43	10583.35
Dec-14	670.45	610.00	152118	669.80	607.00	259039	11089.32	10154.40
Jan-15	738.70	632.95	290012	738.80	633.95	636049	11544.40	10457.44
Feb-15	675.00	625.00	74771	675.00	622.70	146440	11506.04	10899.34
Mar-15	664.00	593.00	80168	665.00	595.00	172445	11764.80	10733.92

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


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

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

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

Pursuant to Clause 47(C) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been given by a Practicing Company Secretary duly certifying compliance of shares transfer formalities.

Distribution of Equity Shares as on 31st March, 2015

Sl.No.	Range			No. of Shares Held	% to Capital	No. of Shareholders	% to Total Shareholders
1	1	to	500	1106718	14.83	14440	94.09
2	501	to	1000	344651	4.62	434	2.83
3	1001	to	2000	314859	4.22	214	1.39
4	2001	to	3000	184904	2.48	74	0.48
5	3001	to	4000	162459	2.18	45	0.29
6	4001	to	5000	116812	1.56	25	0.16
7	5001	to	10000	450878	6.04	61	0.39
8	More than		10000	4781282	64.07	54	0.35
TOTAL				7462563	100.00	15347	100.00

Shareholding Pattern as on 31st March, 2015

Category of Shareholder	No. of Shares	Percentage
Promoters and Person Acting in Concert	3059212	40.99
Mutual Funds	46079	0.62
Banks, Financial Institutions, Insurance Companies Including A.P. State Govt.	318894	4.27
Foreign Institutional Investors	1200	0.02
Corporate Bodies	810931	10.87
Indian Public	3021795	40.50
NRI's/OCB's	204452	2.73
TOTAL	7462563	100.00

Dematerialization 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 31st March, 2015, 98.12% of the Company's Equity Shares are in dematerialised form.

The ISIN No./ Code for the Company's Equity Shares is INE557A01011. Shareholders can open an account with any of the depository participants registered with any of these depositories.

Plant Locations : **Manufacturing**

1. Sanatnagar, Hyderabad - 500018 (Telangana)
2. Faridabad, Sector-25 - 121005 (Haryana)
3. Jasidih, Industrial Area - 814142 (Jharkhand)
4. Dharuhera, Plot No.31, Rewari District - 122106 (Haryana)
5. Thimmapur, Mahboobnagar District - 509325 (Telangana)
6. Vijayawada, Plot No.289, IDA, Kondapalli - 521228 (Andhra Pradesh)
7. Chennai, Kannigaiper Vil., Tiruvallur District -601102 (Tamil Nadu)
8. Wada, Musarane Vil., Thane District - 421312 (Maharashtra)
9. Sathariya, SIDA, Jaunpur District - 222022 (Uttar Pradesh)
10. Thrissur, Mulangunnathukavu Post - 680581 (Kerala)
11. Balasore, IDCO, Plot No. 72, ND Centre, Somanathpur - 756019 (Odisha)
12. Golan, Village, Valod Taluka, Tapi District - 394640 (Gujarat)
13. Jhajjar, Amadalshahpur, Village- Akeri Madanpur, -124146 (Haryana).

Wind Power

14. 3.60 MW (2x1.80 MW) at Kutch Dist, Gujarat.
15. 1.25 MW near Coimbatore, Tirupur Dist, Tamilnadu.
16. 2.50 MW (2x1.25 MW) at Jodhpur Dist, Rajasthan.
17. 2.00 MW at Jaisalmer Dist, Rajasthan.

Address for Correspondence : Mr. P Rajesh Kumar Jain
 Company Secretary & Compliance Officer
 HIL Limited
 7th Floor, SLN Terminus,
 Survey No.: 133
 Beside Botanical Gardens, Gachibowli,
 Hyderabad-500032.
 Tel: 91 40 30999000, 30999121 (D)
 Fax: 91 40 30999240
 Email: cs@hil.in

The above Report was approved by the Board of Directors at their meeting held on 27th April, 2015.

On behalf of the Board of Directors

New Delhi,
 27th April, 2015

CK BIRLA
 Chairman

Details of Directors seeking appointment/reappointment as Directors at this Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

Name	Mr. Desh Deepak Khetrapal	Mr. Prashant Vishnu Vatkar
Date of Birth	July 5, 1955	October 26, 1966
Date of Appointment	October 28, 2013	April 20, 2015
DIN No.	02362633	07139685
Qualification	Honors degree in Business & Economics and Masters degree in Business Administration in Marketing and Finance from the Delhi University	Bachelors degree in Mechanical Engineering and Masters in Business Administration (Marketing and Operations) from Indian Institute of Management, Ahmedabad.
Occupation	Service	Service
Expertise in specific functional areas	Professional business leader with a track record of leading and transforming large and diversified organizations, across various Industries including services, industrials, consumer and retail businesses	Professional business leader with a strong track record as a Business Head. Worked with large Multinational Organisations for business in India and International markets.
Directorships held in other Companies	<ol style="list-style-type: none"> 1. Orient Cement Limited 2. Oriental Bank of Commerce 	NIL
Memberships/ Chairmanships of Committees other than HIL Limited	<ol style="list-style-type: none"> 1. Orient Cement Limited <ul style="list-style-type: none"> • Audit Committee • Stakeholders Relationship Committee • Corporate Social Responsibility Committee 2. Oriental Bank of Commerce <ul style="list-style-type: none"> • IT Strategy Committee • HR Committee • Customer Service Committee • Special Committee of Board for monitoring of Large Value Frauds • Supervisory Committee of Directors on Risk Management • Nomination & Remuneration Committee • Corporate Social Responsibility Committee • Audit Committee • Management Committee of Board • Share Issue and Allotment Committee 	NIL
Shareholding in the Company	NIL	NIL

Auditors' Certificate

To
The Members of HIL Limited

We have examined the compliance of conditions of corporate governance by HIL Limited, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. 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.

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 Agreement.

We further 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.

For **S R BATLIBOI & ASSOCIATES LLP**
CHARTERED ACCOUNTANTS
ICAI Firm registration number : 101049W

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

Place : New Delhi
Dated : 27th April, 2015

Declaration by the Managing Director

I, Prashant Vishnu Vatkar, Managing Director, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for the year 2014-2015.

Prashant Vishnu Vatkar
Managing Director

Place : New Delhi
Dated : 27th April, 2015

Independent Auditor's Report

To The Members of HIL Limited

Report on the Financial Statements

We have audited the accompanying financial statements of HIL Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section

143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule

11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number:101049W

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

Place : New Delhi
Date : April 27, 2015

Annexure referred to in paragraph 1 of our report of even date

Re: HIL Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Building products, Thermal insulation products, and generation of Wind power and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which amount relates	Forum where dispute is pending
Tamil Nadu General Sales Tax Act, 1959 and Central Sales Tax Act, 1956	Sales tax on enhanced turnover due to certain disallowance	15.01*	1990-91, 1994-95, 1997-98, 2000-01, 2001-02, 2002-03	Hon'ble Supreme Court of India, Sales Tax Appellate Tribunal, Appellate Assistant Commissioner
Andhra Pradesh General Sales Tax Act, 1957	Disallowance of concessional rate of tax	374.19*	1985-86, 2009-10, 2010 - 11	Hon'ble High Court of Telengana and Andhra Pradesh, Appellate Deputy Commissioner

(Contd.)

West Bengal Sales Tax Act, 1994 and Central Sales Tax Act, 1956	Sales tax demand	265.85	2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2007-08, 2008-09	Hon'ble High Court of West Bengal, Kolkata, Appellate and revisional Board, Senior Joint Commissioner, Additional Commissioner, Sales tax Appellate Tribunal
Bihar Finance Act, 1981	Local sales tax demand	140.05	2000 - 01, 2009-10	Joint Commissioner of Commercial taxes (Appeals), Commissioner of commercial taxes
	Demand of entry tax	28.57	2003-04	Assistant Commissioner of Commercial Taxes
	Sales tax demand	28.04	2002-03, 2003-04, 2004-05, 2005-06	Deputy Commissioner, Joint Commissioner, Commissioner of Commercial Taxes
Entry Tax of Goods Act, 1930	Demand for entry tax including Interest	74.42*	2007-08	Hon'ble Supreme Court of India
Other States/ Central Sales Tax Acts	Local sales tax demand, freight rebate disallowed, entry tax on stock transfers and miscellaneous disallowance	425.32*	1993-94, 1997-98, 1999-00, 2000-01, 2001-02, 2002-03, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010 - 11, 2011-12, 2012-13	Hon'ble Supreme Court of India, Hon'ble High Court of Rajasthan, Appellate Tribunal, Commissioner of Commercial Taxes, Additional Commissioner (Appeals), Deputy Commissioner (Revision), Deputy Commissioner (Appeals), Joint Commissioner (Appeals), Joint Commissioner, Additional Commissioner, Assistant Commissioner (Appeals), Joint Director Enforcement, Joint Commissioner of Commercial taxes
Other States like Jharkhand, Maharashtra and Orissa under Central Sales Tax Act, 1956	Sales tax demand	1411.15*	2004-05, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12	Commissioner of Commercial Taxes, Deputy Commissioner (Revision), Additional Commissioner (Appeals)
Central Excise Act, 1944	Excise duty demand due to certain disallowance and wrong availment of CENVAT including penalty	882.27*	2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15	Assistant Commissioner, Joint Commissioner, Additional Commissioner, Appellate Tribunal, Commissioner (Appeals), Customs Excise & Service Tax Appellate Tribunal, Commissioner of Customs & Central Excise
	Excise duty demand including penalty	1040.34*	April 2004 - July 2009	Customs Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax demand	1925.33*	2005-06, 2008-09, 2009-10, 2010-11, 2011-12	Income Tax Appellate Tribunal, Commissioner of Income Tax (Appeals)
	Wealth tax demand	56.98	1993-94, 1994-95, 1995-96, 1996-97, 1997-98	Hon'ble High Court of Telangana and Andhra Pradesh, Hyderabad

* Net of ₹ 5.29 lacs, ₹ 172.12 lacs, ₹ 36.14 lacs, ₹ 129.59 lacs, ₹ 101.16 lacs, ₹ 20.00 lacs, ₹ 17.50 lacs and ₹ 597.50 lacs respectively paid under protest/adjustable against refunds.

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the Management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported during the year.

For **S R BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number:101049W

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

Place : New Delhi
Date : April 27, 2015

Balance Sheet as at 31st March, 2015

	Notes	31st March 2015	₹ in lacs 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	748.98	748.98
Reserves and surplus	4	42817.96	38078.98
		<u>43566.94</u>	<u>38827.96</u>
Non-current liabilities			
Long-term borrowings	5	5182.29	4471.06
Deferred tax liabilities (net)	6	4524.28	4012.35
Long-term provisions	7	462.01	344.28
		<u>10168.58</u>	<u>8827.69</u>
Current liabilities			
Short-term borrowings	8	6459.85	2054.34
Trade payable	9	13859.15	12692.61
Other current liabilities	9	9671.90	9056.73
Short-term provisions	7	1462.92	956.58
		<u>31453.82</u>	<u>24760.26</u>
TOTAL		<u>85189.34</u>	<u>72415.91</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	47760.28	37730.59
Intangible assets	10	252.12	235.47
Capital work-in-progress		727.33	3311.73
		<u>48739.73</u>	<u>41277.79</u>
Non-current investments	11	935.26	876.90
Long-term loans and advances	12	2083.10	2181.45
Trade receivables	15	8.98	3.96
Other non-current assets	13	150.23	232.64
		<u>3177.57</u>	<u>3294.95</u>
Current assets			
Inventories	14	22039.30	17360.71
Trade receivables	15	6855.60	6745.53
Cash and bank balances	16	569.69	776.58
Short-term loans and advances	12	3404.18	2649.87
Other current assets	13	403.27	310.48
		<u>33272.04</u>	<u>27843.17</u>
TOTAL		<u>85189.34</u>	<u>72415.91</u>

Summary of significant accounting policies 2.1

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

As per our report of even date

For **S R BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number : 101049W

Per **Vikas Kumar Pansari**

Partner

Membership No.093649

Place: New Delhi

Date: 27.04.2015

KR Veerappan

CFO

P Rajesh Kumar Jain

Company Secretary

For and on behalf of the Board of Directors

CK Birla

Chairman

Prashant Vishnu Vatkar

Managing Director

Statement of profit and loss for the year ended 31st March, 2015

	Notes	2014-15	2013-14
₹ in lacs			
Income			
Revenue from operations (gross)	17	124382.70	97819.93
Less: excise duty		13603.56	10872.52
Revenue from operations (net)		110779.14	86947.41
Other income	18	1762.07	799.93
Total revenue (I)		112541.21	87747.34
Expenses			
Cost of raw material consumed	19	62898.23	48252.63
Purchase of traded goods	20	674.03	832.31
(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods	20	(2940.83)	2675.14
Employee benefits expense	21	10084.77	8851.13
Other expenses	22	28317.70	21896.92
Total expenses (II)		99033.90	82508.13
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) – (II)		13507.31	5239.21
Depreciation and amortisation expense	23	3402.22	2889.28
Less: recoupment from revaluation reserve	4	-	16.83
Net depreciation and amortisation expense		3402.22	2872.45
Finance costs	24	576.80	1022.57
Profit before tax and Exceptional items		9528.29	1344.19
Exceptional items	42	332.91	355.42
Profit before tax		9195.38	988.77
Tax expenses			
Current tax [including credit of taxes for earlier years ₹ 40.18 lacs (Previous Year : charge of ₹ 66.13 lacs)]		1934.66	409.91
MAT Credit entitlement [including charge for earlier years ₹ 77.65 lacs (Previous Year : ₹ nil)]		(27.20)	(210.06)
Deferred tax [including credit of taxes for earlier years ₹ 134.76 lacs (Previous Year: credit of ₹ 87.14 lacs)]		602.25	75.70
Total tax expense		2509.71	275.55
Profit for the year		6685.67	713.22
Earnings per equity share in ₹ [nominal value of share ₹ 10/- (Previous Year: ₹ 10/-) Basic and Diluted	25		
Computed on the basis of total profit for the year (in ₹)		89.59	9.56
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S R BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 101049W

For and on behalf of the Board of Directors

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

KR Veerappan
CFO

CK Birla
Chairman

Place: New Delhi
Date: 27.04.2015

P Rajesh Kumar Jain
Company Secretary

Prashant Vishnu Vatkar
Managing Director

Cash flow statement for the year ended 31st March, 2015

	2014-15	2013-14
		₹ in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	9195.38	988.77
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	3402.22	2872.45
Rent from long term investment in properties	(477.61)	(335.89)
Provision for doubtful receivables, advances and other assets	17.44	252.68
Unspent liabilities, provisions and sundry balances written back (net)	(133.87)	(127.77)
Profit on disposal of fixed assets (net)	(626.26)	(72.13)
Realisation of investment written off in earlier years	(107.89)	-
Interest expense	576.80	1022.57
Interest income	(128.23)	(169.56)
Dividend income	(154.64)	(5.57)
Operating profit before working capital changes	11563.34	4425.55
Movements in working capital :		
Increase in trade payables	1249.86	4311.89
Increase in long-term provisions	117.73	64.05
Increase/(decrease) in short-term provisions	38.78	(42.15)
Increase in other current liabilities	559.78	293.52
(Increase)/decrease in trade receivables	(142.99)	3145.32
(Increase)/decrease in inventories	(4678.59)	7300.26
Increase in long-term loans and advances	(60.27)	(77.41)
(Increase)/decrease in short-term loans and advances	(754.31)	1416.35
Decrease in other current assets	82.41	73.04
Increase in other non-current assets	(102.87)	(63.43)
Cash generated from operations	7872.87	20846.99
Direct taxes paid (net of refunds)	(2188.69)	(504.30)
Net cash flow from operating activities (A)	5684.18	20342.69
B. CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of fixed assets, including capital advances	(11193.06)	(8517.34)
Proceeds from sale of fixed assets	1167.04	319.98
Purchase of current investments	(15483.25)	(2705.37)
Realisation of investment written off in earlier years	107.89	-
Proceeds from sale/maturity of current investments	15345.33	2705.37
Interest received	138.31	147.15
Dividends received	154.64	5.57
Rent received from long term investment in properties	477.61	335.89
Net cash flow used in investing activities (B)	(9285.49)	(7708.75)

(Contd.)

Cash flow statement (Contd.)

	₹ in lacs	
	2014-15	2013-14
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	1107.53	-
Repayment of long-term borrowings	(240.95)	(273.57)
Proceeds from short-term borrowings (net)	4405.51	(10420.69)
Interest paid	(574.85)	(1043.39)
Dividend paid on equity shares	(1112.59)	(928.28)
Tax on equity dividend paid	(190.23)	(158.53)
Net cash flow from/(used in)financing activities (C)	<u>3394.42</u>	<u>(12824.46)</u>
Net decrease in cash and cash equivalents (A + B + C)	<u>(206.89)</u>	<u>(190.52)</u>
Cash and cash equivalents at the beginning of the year	776.58	967.10
Cash and cash equivalents at the end of the year	<u>569.69</u>	<u>776.58</u>
Components of cash and cash equivalents		
Cash on hand	6.01	6.44
Cheques/drafts on hand	284.02	395.22
With banks - on current account	198.26	300.32
- unpaid dividend accounts*	81.40	74.60
Total cash and cash equivalents (note 16)	<u>569.69</u>	<u>776.58</u>
Summary of significant accounting policies	2.1	

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

As per our report of even date
For **S R BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number : 101049W

For and on behalf of the Board of Directors

Per **Vikas Kumar Pansari**
Partner
Membership No.093649
Place: New Delhi
Date: 27.04.2015

KR Veerappan
CFO

CK Birla
Chairman

P Rajesh Kumar Jain
Company Secretary

Prashant Vishnu Vatkar
Managing Director

Notes to financial statements for the year ended 31st March, 2015

1. Corporate Information

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

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for freehold land, lease hold land and building acquired before December 31, 1983 which are carried at revalued amounts.

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

2.1 Summary of significant accounting policies

a. Change in accounting policy/estimate

Depreciation on fixed assets/investment property

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956 prescribed requirements pertaining to depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets.

(i) Useful lives/ depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under

Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II of the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives and residual values if such useful lives and residual values can be technically supported and justification for differences are disclosed in the financial statements.

Considering the applicability of Schedule II, the Management has re-estimated useful lives and residual values of all its fixed assets which are equal to useful lives and residual values specified in schedule II except for the following assets mentioned below which is based on technical evaluation and past experience:

Continuous process plant: 19 years as against 25 years.

Certain moulds and dies: 6 / 9 years as against 8 years.

Further, the Management believes that depreciation rates currently used fairly reflects its estimates of the useful lives and residual value of fixed assets.

Had the company continued its earlier rates / lives in determining the depreciation for the year, profits before tax for the current year would have been higher by ₹ 605.44 lacs.

The Company has used transitional provision of Schedule II to adjust the impact of useful life / depreciation rates arising on its first application. If a fixed asset has zero remaining useful life on the date of Schedule II becoming effective, i.e, April 01, 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other fixed assets, i.e, fixed assets whose remaining useful life is not Nil on April 01, 2014, is depreciated over their remaining useful life. The Company has adjusted ₹ 175.40 lacs (net of deferred tax charge of ₹ 90.32 lacs) with the opening balances of retained earnings i.e. surplus in the statement of profit and loss.

(ii) Depreciation on assets costing upto ₹ 5,000/-

Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing upto ₹ 5,000/- in the year of purchase. However, Schedule II to the Companies Act, 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciation of assets costing upto ₹ 5,000/-. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 01, 2014.

The change in accounting for depreciation of assets costing upto ₹ 5,000/- did not have any material impact on financial statements of the Company for the current year.

(iii) Accounting for additional depreciation on account of revaluation of assets

On December 31, 1983, the Company revalued all its freehold land, leasehold land and buildings pertaining to certain units existing as on that date. Till year ended 31 March 2014, the Guidance Note on Treatment of Reserve Created on Revaluation of Fixed Assets issued by the ICAI allowed companies to transfer an amount equivalent to the additional depreciation arising due to upward revaluation of fixed assets from revaluation reserve to the statement of profit and loss. Accordingly, the Company was transferring an amount equivalent to additional depreciation arising due to upward revaluation of building from revaluation reserve to the statement of profit and loss. In contrast, Schedule II to the Companies Act, 2013 applicable from the current year, states that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Hence, in case of revalued assets, depreciation computed on the revalued amount needs to be charged

to the statement of profit and loss, without any recoupment from revaluation reserve. Consequently, to comply with the Schedule II requirement, the Company has discontinued the practice of recouping the impact of additional depreciation from revaluation reserve. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 01, 2014.

Had the Company continued its earlier policy of recouping the additional depreciation arising due to upward revaluation of fixed assets from revaluation assets, profits before tax for the current year would have been higher by ₹ 16.83 lacs. However, the change in accounting policy did not have any impact on reserves and surplus as at March 31, 2015.

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Tangible fixed assets

Fixed assets, except freehold, lease hold land and buildings acquired before December 31, 1983, pertaining to certain units are stated at cost or revalued amount, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

On December 31, 1983, the Company revalued all its freehold land, leasehold land and buildings pertaining to certain units existing as on that date. These freehold land, leasehold land and buildings

are measured at fair value less accumulated depreciation and impairment losses, if any, recognized after the date of the revaluation. In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit and loss, in which case the increase is recognized in the statement of profit and loss. A revaluation deficit is recognized in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized except for the corresponding amount in Revaluation reserve which is transferred to General reserve .

d. Depreciation on tangible fixed assets

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

Continuous process plant: 19 years as against 25 years.

Certain moulds and dies: 6/9 years as against 8 years.

Depreciation on Company's proportionate share in Fly Ash Handling System (capital expenditure not represented by asset owned by the Company but installed at vendor's location) is provided over its useful life of five years on straight line basis.

e. Intangible assets

Computer software

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

f. Leases

Where the Company is a lessee

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

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

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

Where the Company is a lessor

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

recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

g. Borrowing costs

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

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

h. Impairment

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast

calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

i. Government grants and subsidies

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

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

j. Investments

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

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

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

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

Investment property

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

The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on investment property other than perpetual leasehold land is calculated on a straight-line basis based on the useful life estimated by the management, which are equal to life prescribed in Schedule II of the Companies Act, 2013.

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

k. Inventories

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

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

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

l. Revenue recognition

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

Sale of products

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

Technical Know-how fee

Technical Know-how fee is recognised on accrual basis, as a percentage of sales made by the joint venture party during the year as per the terms of specific contract.

Interest

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

Dividends

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

m. Foreign currency translation

i. Initial recognition

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

ii. Conversion

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

iii. Exchange difference

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

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

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such

contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions to the provident fund and superannuation fund are recognised as expenses, when an employee renders the related services. The Company has no obligation, other than the contribution payable to the funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees including contract workers on the basis of actuarial valuation carried out at the year end by an independent actuary.

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

o. Income taxes

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

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

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

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

p. Segment reporting policies

Identification of segments

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

Inter-segment transfers

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

Unallocated items

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

Segment accounting policies

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

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

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

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such

expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

r. Earnings per Share

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

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

s. Provisions

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

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

t. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence

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

u. Cash and cash equivalents

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

v. Derivative instruments

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

w. Research and development

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

x. Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from operations. In its measurement, the Company does not include depreciation and amortisation expense, finance costs, exceptional items and tax expense. However, Interest income is included in the calculation of EBITDA.

₹ in lacs

3. SHARE CAPITAL
Authorised share capital

	31st March 2015	31st March 2014
9,500,000 (Previous Year 9,500,000) Equity Shares of ₹10 each	950.00	950.00
50,000 (Previous Year 50,000) Preference Shares of ₹100 each	50.00	50.00

Issued, subscribed and fully paid-up share capital

7,462,563 (Previous Year 7,462,563) Equity Shares of ₹10 each fully paid-up	746.26	746.26
Forfeited Shares (amount originally paid-up)	2.72	2.72
Total issued, subscribed and fully paid-up share capital	748.98	748.98

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

	31st March, 2015		31st March, 2014	
	No	₹ in Lacs	No	₹ in Lacs
At the beginning of the year	7462563	748.98	7462563	748.98
Outstanding at the end of the year	7462563	748.98	7462563	748.98

- (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015, the amount of dividend per share recognized as distributions to equity shareholders is ₹20/-, including Interim dividend of ₹10/- (Previous Year: ₹5/-, including interim dividend of ₹nil)

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Nos	% holding	Nos	% holding
Central India Industries Limited	1074634	14.40	1074634	14.40
Orient Paper and Industries Limited	906360	12.15	906360	12.15

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

₹ in lacs

31st March 2015 **31st March 2014**
4. RESERVES AND SURPLUS

Capital redemption reserve	35.00	35.00
Securities premium account	624.95	624.95
Revaluation reserve (arising on revaluation of tangible fixed assets)		
Balance as per the last financial statement	433.99	450.82
Less: Amount transferred to the statement of profit and loss as reduction from depreciation	-	16.83
Closing balance	433.99	433.99
General reserve		
Balance as per the last financial statement	32100.00	32000.00
Add: Amount transferred from surplus balance in the statement of profit and loss	4000.00	100.00
Closing balance	36100.00	32100.00
Surplus in the statement of profit and loss		
Balance as per the last financial statement	4885.04	4708.36
Less: Carrying value of fixed assets having nil useful life as per Schedule II of Companies Act, 2013 (net of deferred tax charge of ₹ 90.32 lacs) (refer note 2.1(a))	(175.40)	-
Profit for the year	6685.67	713.22
Less: Appropriations		
Interim Dividend on Equity Shares (amount per share ₹ 10/- (Previous Year: ₹ nil))	(746.26)	-
Proposed final Equity Dividend (amount per share ₹ 10/- (Previous Year: ₹ 5/-))	(746.26)	(373.13)
Corporate dividend tax on Equity Shares	(278.77)	(63.41)
Transfer to general reserve	(4000.00)	(100.00)
Total appropriations	(5771.29)	(536.54)
Net surplus in the statement of profit and loss	5624.02	4885.04
Total reserves and surplus	42817.96	38078.98

	Non Current		Current	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs

5. LONG-TERM BORROWINGS

Other loans				
Interest Free Sales Tax Loan from a financial institution (secured) [refer note (a) below]	4154.99	3047.46	-	-
Deferred Sales Tax Loan (unsecured) [refer note (b) below]	1027.30	1423.60	396.30	240.95
	5182.29	4471.06	396.30	240.95
The above amount includes				
Secured borrowings	4154.99	3047.46	-	-
Unsecured borrowings	1027.30	1423.60	396.30	240.95
Amount disclosed under "Other current liabilities" (refer note 9)	-	-	(396.30)	(240.95)
	5182.29	4471.06	-	-

- a) Interest free sales tax loan from a financial institution is secured by way of first charge on the entire assets of the Sathariya Unit and Balasore Unit of the Company, both present and future, repayable after 7 years from the date of disbursement. Accordingly ₹ 427 lacs due on July 2016, ₹ 301 lacs due on January 2017, ₹ 792 lacs due on March 2018, ₹ 606.72 lacs due on July 2019, ₹ 920.74 lacs due on September 2019 and ₹ 1107.53 lacs due on March 2022.
- b) Deferred Sales Tax loan was sanctioned towards the sales tax dues relating to Thimmapur, Kondapalli and Chennai unit. The loans are interest free and repayable at the end of 7 years from the month of deferral. The repayment of the deferral scheme has already commenced for all Units. The last installment is due during 2017-18 for Chennai & Kondapalli and during 2023-24 for Thimmapur. The yearly repayment varies from ₹ 5 lacs to ₹ 4 crores due to varying amount of availment in the earlier years as per deferral scheme.

	₹ in lacs	
	31st March 2015	31st March 2014
6. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
Difference in depreciation/amortisation on fixed assets as per tax books and financial books	5732.91	5098.52
Gross deferred tax liabilities	<u>5732.91</u>	<u>5098.52</u>
Deferred tax assets		
Effect of expenditure debited to statement of profit and loss but allowable for tax purposes in following years	573.85	489.99
Provision for doubtful receivables, advances and other assets	468.17	496.49
Voluntary early retirement scheme	166.61	99.69
Gross deferred tax assets	<u>1,208.63</u>	<u>1086.17</u>
Deferred tax liabilities (net)	<u>4524.28</u>	<u>4012.35</u>

	Non Current		Current	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
7. PROVISIONS				
Provision for employee benefits				
Provision for gratuity (refer note 26)	462.01	344.28	9.10	33.46
Provision for leave benefits	-	-	290.08	253.45
	<u>462.01</u>	<u>344.28</u>	<u>299.18</u>	<u>286.91</u>
Other provisions				
Provision for employee related other costs (refer note 36)	-	-	41.90	15.39
Provision for income tax (net of advance income tax)	-	-	223.63	217.74
Proposed final dividend	-	-	746.26	373.13
Provision for tax on proposed final dividend	-	-	151.95	63.41
	<u>-</u>	<u>-</u>	<u>1163.74</u>	<u>669.67</u>
	<u>462.01</u>	<u>344.28</u>	<u>1462.92</u>	<u>956.58</u>

₹ in lacs

	31st March 2015	31st March 2014
8. SHORT-TERM BORROWINGS		
Cash credit/demand loan from banks (secured) [refer note (a) below]	2990.30	2054.34
Buyers credit from banks [refer note (b) below]		
Unsecured	3469.55	-
	6459.85	2054.34
The above amount includes		
Secured borrowings	2990.30	2054.34
Unsecured borrowings	3469.55	-
	6459.85	2054.34

- a) Cash credit facilities and demand loan from banks are secured by hypothecation of inventories and book debts and are further secured by second equitable mortgage of the Company's immovable properties and hypothecation of other fixed assets, both present and future, other than assets exclusively charged in favour of a Financial Institution for Interest Free Sales Tax Loan as disclosed in note 5. These borrowings carries interest @10% to 13.75% p.a.
- b) Buyers credit carries interest @ 0.50% to 0.80% p.a.

₹ in lacs

	31st March 2015	31st March 2014
9. TRADE PAYABLE AND OTHER CURRENT LIABILITIES		
Trade payables # (refer note 35 for details of dues to micro and small enterprises)	13859.15	12692.61
Other current liabilities		
Current maturities of long-term borrowings (refer note 5)	396.30	240.95
Interest accrued but not due on borrowings	1.95	-
Capital creditors	476.06	534.22
Advances from customers (refer note 31 (d))	1583.49	1537.51
Unclaimed dividend (statutory liabilities as referred in Section 125 of Companies Act, 2013 to be transferred to Investor Education and Protection Fund as and when due)	81.40	74.60
Others		
Sundry deposits	4525.80	4221.05
Other statutory liabilities	2606.90	2448.40
	9671.90	9056.73
#(refer note 31 (iii))		

10. TANGIBLE ASSETS AND INTANGIBLE ASSETS

₹ in lacs

Particulars	Freehold Land	Leasehold Land	Buildings	Railway sidings	Plant and Machinery	Furniture and Fittings	Office Equipments	Vehicles	Total tangible Assets	Intangible Assets- Softwares	Grand Total
A. Gross Block											
As at March 31, 2013	1810.90	1227.58	10556.02	12.75	37796.23	274.93	411.26	567.70	52657.37	593.38	53250.75
Additions	383.98	-	596.45	-	5923.48	12.66	21.86	13.71	6952.14	139.18	7091.32
Disposals	(9.42)	-	(3.95)	-	(432.71)	(2.37)	(4.36)	(73.76)	(526.57)	-	(526.57)
As at March 31, 2014	2185.46	1227.58	11148.52	12.75	43287.00	285.22	428.76	507.65	59082.94	732.56	59815.50
Additions	358.53	-	4834.02	-	8286.81	406.16	178.58	24.26	14088.36	87.12	14175.48
Disposals	(30.94)	-	(35.16)	-	(1385.95)	(21.20)	(111.02)	(172.76)	(1757.03)	-	(1757.03)
As at March 31, 2015	2513.05	1227.58	15947.38	12.75	50187.86	670.18	496.32	359.15	71414.27	819.68	72233.95
B. Depreciation/ Amortisation											
As at March 31, 2013	-	56.81	2812.82	12.12	15305.15	200.33	202.19	218.59	18808.01	442.31	19250.32
Charge for the year	-	14.13	296.62	-	2437.09	10.02	15.82	49.38	2823.06	54.78	2877.84
Disposals	-	-	(2.50)	-	(229.52)	(2.17)	(2.38)	(42.15)	(278.72)	-	(278.72)
As at March 31, 2014	-	70.94	3106.94	12.12	17512.72	208.18	215.63	225.82	21352.35	497.09	21849.44
Charge for the year	-	13.56	505.76	-	2540.54	32.57	89.31	70.45	3252.19	70.47	3322.66
Disposals	-	-	(9.74)	-	(1002.25)	(19.44)	(105.54)	(79.30)	(1216.27)	-	(1216.27)
Adjusted against retained earnings	-	-	166.95	-	36.60	2.94	56.37	2.86	265.72	-	265.72
As at March 31, 2015	-	84.50	3769.91	12.12	19087.61	224.25	255.77	219.83	23653.99	567.56	24221.55
C. Net Block (A-B)											
As at March 31, 2014	2185.46	1156.64	8041.58	0.63	25774.28	77.04	213.13	281.83	37730.59	235.47	37966.06
As at March 31, 2015	2513.05	1143.08	12177.47	0.63	31100.25	445.93	240.55	139.32	47760.28	252.12	48012.40

Notes

- Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad, Freehold Land of the value of ₹ 1.27 lacs (Previous Year ₹ 1.27 lacs) is pending for registration in the Company's name.
- Plant and Machinery of the value of ₹ 30.60 lacs (Previous Year: ₹ 30.60 lacs) are held in joint ownership with others.
- Freehold Land, Leasehold Land and Buildings include ₹ 945.23 lacs (Previous Year: ₹ 945.23 lacs), WDV ₹ 433.99 lacs (Previous Year: ₹ 433.99 lacs) on account of additions on revaluation during the year ended December 31, 1983 as per valuation carried out by an approved valuer.

₹ in lacs

31st March 2015

31st March 2014

11. NON-CURRENT INVESTMENTS**Investment property (at cost less accumulated depreciation)**

Investment Properties given as an operating lease [refer note (a) below]	984.72	846.80
Less: Accumulated depreciation	193.36	113.80
Net block	791.36	733.00

Trade investments (valued at cost unless stated otherwise)

Unquoted equity instruments

Birla Buildings Limited-5000 Equity Shares of ₹ 10/- each (Previous Year: 5000 Equity Shares of ₹ 10/- each)	0.80	0.80
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Investment in joint ventures

Supercor Industries Limited, Nigeria - 4125000 Equity Shares of Naira 1/- each (Previous Year: 4125000 Equity Shares of Naira 1/- each)	142.60	142.60
	143.40	143.40

Non-trade investments (valued at cost unless stated otherwise)

Government and trust securities (unquoted) [refer note (b) below]

7 year National Savings Certificate	0.02	0.02
6 year National Savings Certificate	0.47	0.47
Indira Vikas Patra	0.01	0.01
	0.50	0.50
	935.26	876.90

Aggregate amount of unquoted investments	143.90	143.90
Value of investment properties	791.36	733.00
	935.26	876.90

Note :

- a) The Company alongwith other co-owners, has developed a plot of land at 25 Barakhamba Road, New Delhi, where the Company's share is 15%. The registration of the said plot of the value of ₹ 427.60 lacs (Previous Year : ₹ 427.60 lacs) in the name of the Company is pending. The Company has given the said property on operating lease to some parties. There are no contingent rents in the lease agreements. The lease terms are mainly for 3-5 years and are renewable at the option of the lessee. There are no restrictions imposed by lease agreements. There are no subleases.
- b) Government Securities for ₹ 0.50 lacs (Previous Year : ₹ 0.50 lacs) lodged with Government Departments.

		Non Current		Current	
		31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
12. LOANS AND ADVANCES					
Capital advances					
Unsecured, considered good	(A)	476.85	933.05	-	-
Inter corporate deposits (unsecured, considered good)*	(B)	-	-	575.00	825.00
Security Deposits	(C)				
Unsecured, considered good		748.98	745.66	-	-
Doubtful		25.00	25.00	-	-
		<u>773.98</u>	<u>770.66</u>	<u>-</u>	<u>-</u>
Provision for doubtful security deposits		<u>(25.00)</u>	<u>(25.00)</u>	<u>-</u>	<u>-</u>
		<u>748.98</u>	<u>745.66</u>	<u>-</u>	<u>-</u>
Advances recoverable in cash or kind	(D)				
Unsecured, considered good		-	-	1266.04	614.41
Doubtful		428.21	438.67	-	-
		<u>428.21</u>	<u>438.67</u>	<u>1266.04</u>	<u>614.41</u>
Provision for doubtful advances		<u>(428.21)</u>	<u>(438.67)</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>1266.04</u>	<u>614.41</u>
Other loans and advances (unsecured, considered good)	(E)				
Advance income-tax (net of provision for taxation)		433.07	173.15	-	-
MAT credit entitlement		237.26	210.06	-	-
Prepaid expenses		11.21	14.81	165.94	158.91
Balance with statutory/government authorities		175.73	104.72	1397.20	1051.55
		<u>857.27</u>	<u>502.74</u>	<u>1563.14</u>	<u>1210.46</u>
TOTAL (A+B+C+D+E)		2083.10	2181.45	3404.18	2649.87

* Represents short term unsecured loan given to M/s Indian Press Exchange Ltd for meeting its business needs at an interest rate of 11.50% p.a and payment is being received as per agreed terms.

13. OTHER ASSETS (unsecured, considered good unless stated otherwise)

Non-current bank balance (refer note 16)		18.11	0.11	-	-
Others					
Interest accrued on fixed deposits and security deposits		-	-	48.02	58.10
Dividend receivable on investments (refer note 31 (c))		-	-	9.01	9.01
Other Receivables (refer note 31 (b))					
Considered good		132.12	232.53	346.24	243.37
Considered doubtful		20.45	20.45	-	-
		<u>152.57</u>	<u>252.98</u>	<u>346.24</u>	<u>243.37</u>
Provision for doubtful other assets		<u>(20.45)</u>	<u>(20.45)</u>	<u>-</u>	<u>-</u>
		<u>132.12</u>	<u>232.53</u>	<u>346.24</u>	<u>243.37</u>
		<u>150.23</u>	<u>232.64</u>	<u>403.27</u>	<u>310.48</u>

₹ in lacs

31st March 2015 **31st March 2014**
14. INVENTORIES (valued at lower of cost and net realisable value)

Raw materials [includes in transit ₹ 475.44 lacs] (Previous Year: ₹ 846.42 lacs) (refer note 19)	8509.46	6903.06
Work-in-progress (refer note 20)	315.07	457.90
Finished goods (refer note 20)	12136.41	9157.53
Traded goods (refer note 20)	345.77	211.20
Stores and spares (includes in transit ₹ nil (Previous Year: ₹ 11.76 lacs))	<u>732.59</u>	<u>631.02</u>
	<u>22039.30</u>	<u>17360.71</u>

	Non Current		Current	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
15. TRADE RECEIVABLES*				
Considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	8.98	3.96	15.64	19.06
Unsecured, considered good	-	-	61.89	51.29
Doubtful	<u>382.34</u>	<u>262.22</u>	<u>570.94</u>	<u>586.64</u>
	391.32	266.18	648.47	656.99
Provision for doubtful receivables	<u>(382.34)</u>	<u>(262.22)</u>	<u>(570.94)</u>	<u>(586.64)</u>
	<u>8.98</u>	<u>3.96</u>	<u>77.53</u>	<u>70.35</u>
Other debts				
Secured, considered good	-	-	1,917.46	2,046.99
Unsecured, considered good	-	-	4,860.61	4,628.19
Doubtful	<u>4.06</u>	<u>7.69</u>	<u>70.91</u>	<u>143.80</u>
	4.06	7.69	6,848.98	6,818.98
Provision for doubtful receivables	<u>(4.06)</u>	<u>(7.69)</u>	<u>(70.91)</u>	<u>(143.80)</u>
	-	-	6,778.07	6,675.18
	<u>8.98</u>	<u>3.96</u>	<u>6,855.60</u>	<u>6,745.53</u>

*(refer note 31 (a))

	Non Current		Current	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
16. CASH AND BANK BALANCE				
Cash and cash equivalents				
Balances with banks:				
On current/collection/cash credit accounts	-	-	198.26	300.32
On unpaid dividend account	-	-	81.40	74.60
Cheques/drafts on hand	-	-	284.02	395.22
Cash on hand	<u>-</u>	<u>-</u>	<u>6.01</u>	<u>6.44</u>
	-	-	569.69	776.58
Other bank balances				
Deposits with original maturity for more than 12 months	18.00	-	-	-
With post office in savings bank account	<u>0.11</u>	<u>0.11</u>	-	-
	18.11	0.11	-	-
Amount disclosed under non-current assets (refer note 13)	<u>(18.11)</u>	<u>(0.11)</u>	-	-
	-	-	569.69	776.58

	₹ in lacs	
	2014-15	2013-14
17. REVENUE FROM OPERATIONS		
Sale of products		
Finished goods	123334.50	96430.83
Traded goods	765.51	1010.80
Other operating revenue		
Technical know-how fee	48.24	68.19
Scrap sales	234.45	310.11
Revenue from operations (gross)	124382.70	97819.93
Less: Excise duty	13603.56	10872.52
Revenue from operations (net)	110779.14	86947.41
Detail of products sold and other operating revenue		
Finished goods sold		
1. Fibre cement sheets	101026.03	81000.76
2. Thermal insulation products	2844.20	2971.16
3. Wind power	359.91	319.91
4. Blocks	10485.49	7588.66
5. Others (including technical know-how fee and scrap sales)	8901.56	4928.64
	123617.19	96809.13
Traded goods sold		
1. CC sheets/Polycarbonate sheets	255.60	749.34
2. Others	509.91	261.46
	765.51	1010.80
	124382.70	97819.93
18. OTHER INCOME		
Interest income on deposits and others	128.23	169.56
Dividend income on Current investments	154.64	5.57
Rent		
Long term investments in properties	477.61	335.89
Others	20.52	20.42
Unspent liabilities, provisions and sundry balances written back (net)	133.87	127.77
Profit on disposal of fixed assets (net)	626.26	72.13
Realisation of investment written off in earlier years	107.89	-
Miscellaneous receipts	113.05	68.59
	1762.07	799.93
19. COST OF RAW MATERIAL CONSUMED		
Inventory at the beginning of the year	6903.06	11388.52
Add: Purchases	64504.63	43767.17
	71407.69	55155.69
Less: Inventory at the end of the year	8509.46	6903.06
Cost of raw material consumed	62898.23	48252.63
Details of raw material consumed		
Fibre	33809.79	26812.03
Cement	16661.72	12441.39
Others	12426.72	8999.21
	62898.23	48252.63
Details of inventory		
Fibre	6819.64	5559.81
Cement	391.89	208.33
Others	1297.93	1134.92
	8509.46	6903.06

₹ in lacs

20. (INCREASE)/DECREASE IN INVENTORIES

	2014-15	2013-14
Inventories at the end of the year		
Finished goods	12136.41	9157.53
Work-in-progress	315.07	457.90
Traded goods	345.77	211.20
	<u>12797.25</u>	<u>9826.63</u>
Inventories at the beginning of the year		
Finished goods	9157.53	11644.47
Work-in-progress	457.90	392.46
Traded goods	211.20	258.08
	<u>9826.63</u>	<u>12295.01</u>
	<u>(2970.62)</u>	<u>2468.38</u>
Add: Stocks of finished goods out of trial run production	29.79	206.76
	<u>(2940.83)</u>	<u>2675.14</u>
Details of purchase of traded goods		
1. CC Sheets/Polycarbonate sheets	371.79	571.95
2. Others	302.24	260.36
	<u>674.03</u>	<u>832.31</u>
Details of inventories		
Finished goods		
1. Fibre cement sheets	10849.57	8113.64
2. Thermal insulation products	99.90	131.91
3. Others	1186.94	911.98
	<u>12136.41</u>	<u>9157.53</u>
Work-in-progress		
1. Thermal insulation products	65.91	107.68
2. Material handling and processing plant and equipments	244.19	338.75
3. Others	4.97	11.47
	<u>315.07</u>	<u>457.90</u>
Traded goods		
1. CC sheets/Polycarbonate sheets	257.82	142.84
2. Others	87.95	68.36
	<u>345.77</u>	<u>211.20</u>

21. EMPLOYEE BENEFITS EXPENSE

Salaries, wages and bonus	8470.76	7534.35
Gratuity expenses (refer note 26)	330.20	139.35
Contribution to provident fund	379.37	377.30
Contribution to other funds	120.94	85.46
Staff and workmen welfare expenses	783.50	714.67
	<u>10084.77</u>	<u>8851.13</u>

	2014-15	2013-14
	₹ in lacs	
22. OTHER EXPENSES		
Consumption of stores and spares	3268.03	2565.27
Packing expenses (net)	524.35	425.38
Repairs and renewals		
Buildings	105.12	126.07
Machinery (excluding stores and spares consumption)	816.42	606.86
General repairs and maintenance	1605.19	1372.13
Power and fuel	5565.34	5234.89
Rent	435.93	404.71
Rates and taxes	727.00	541.02
Excise duty on stocks	683.36	(264.81)
Insurance (net)	43.68	44.58
Commission on sales	335.04	357.38
Carriage outwards (net)	5759.61	4200.54
Advertisement and sales promotion expenses	1663.66	1668.17
Professional, consultancy & legal expenses	2887.92	1151.85
Travelling expenses	1365.09	1231.56
Directors' fee	32.40	4.60
Directors' commission	85.00	17.01
Donations	100.00	200.00
Provision for doubtful receivables, advances and other assets (net)	17.44	252.68
Foreign exchange fluctuation (net)	37.91	184.64
Miscellaneous expenses*	2259.21	1572.39
	<u>28317.70</u>	<u>21896.92</u>
*includes ₹ 6.57 lacs spent by the Company towards CSR activities out of total requirement of ₹ 138.88 lacs.		
Payment to auditors (included in miscellaneous expenses)		
As Auditors		
- For statutory audit fee	38.00	33.00
- For tax audit	6.00	6.00
- For quarterly review of accounts	24.00	21.00
In other capacity		
- For Certification, Income tax, Company law matters, etc.	9.55	6.25
Out of pocket expenses	3.11	2.34
	<u>80.66</u>	<u>68.59</u>
23. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of tangible assets net of capitalisation (refer note 10)	3252.19	2823.06
Amortisation of intangible assets (refer note 10)	70.47	54.78
Depreciation of investment property	79.56	11.44
	<u>3402.22</u>	<u>2889.28</u>
24. FINANCE COSTS		
On short term loans	50.39	75.25
Others	461.65	582.77
Exchange difference to the extent considered as an adjustment to borrowing costs	64.76	364.55
	<u>576.80</u>	<u>1022.57</u>

₹ in lacs

2014-15 **2013-14**
25. EARNINGS PER EQUITY SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Total operations for the year

Profit after tax	6685.67	713.22
Weighted average number of equity shares in calculating basic and diluted EPS (nos)	7462563	7462563
Basic and Diluted EPS (₹)	89.59	9.56

26. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Employees' Gratuity Fund Scheme managed by a trust is a defined benefit gratuity plan which is administered through Group Gratuity Scheme with Life Insurance Corporation of India. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss, the funded/non-funded status and amount recognised in the balance sheet for the gratuity plan:

Statement of profit and loss

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

₹ in lacs

2014-15 **2013-14**

Current service cost	177.14	161.42
Interest cost on benefit obligation	155.45	153.99
Expected return on plan assets	(121.31)	(133.24)
Net actuarial (gain)/loss recognized in the year	118.92	(42.82)
Net benefit expenses	330.20	139.35
Actual return on plan assets	132.21	149.95

Amount recognized in the Balance sheet

Defined benefit obligation	1895.87	1946.72
Fair value of plan assets	1424.76	1568.98
	471.11	377.74
Less: Un-recognised past service cost	-	-
Plan liability	471.11	377.74

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	1946.72	2221.46
Interest cost	155.45	153.99
Current service cost	177.14	161.42
Benefits paid	(520.43)	(577.23)
Actuarial losses/(gains) on obligation	136.99	(12.92)
Closing defined benefit obligation	1895.87	1946.72

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	1568.98	1925.15
Expected return	121.31	133.24
Contributions by employer	8.55	0.10
Benefits paid	(292.15)	(519.41)
Actuarial gain	18.07	29.90
Closing fair value of plan assets	1424.76	1568.98

The Company expects to contribute ₹ 200 lacs (Previous Year : ₹ nil) to gratuity fund.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2014-15	2013-14
Investments with insurer	100%	100%

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

The principal assumptions used in determining gratuity and leave benefit obligations for the Company's plans are shown below:

	2014-15	2013-14
Imputed rate of interest	7.80%	9.25%
Expected rate of return of assets	8.50%	8.00%
Salary rise	8.00%	8.00%
Attrition Rate	3.00%	3.00%

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

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

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	1895.87	1946.72	2221.46	2215.91	2125.02
Plan assets	1424.76	1568.98	1925.17	2114.99	1943.93
Deficit	471.11	377.74	296.29	100.92	181.09
Experience adjustments on plan liabilities	40.26	(116.06)	(141.23)	-	-
Experience adjustments on plan assets	18.07	10.67	29.90	-	-

(₹ in Lacs)

	2014-15	2013-14
Defined Contribution Plan		
Contribution to Provident Fund*	384.32	380.55
Contribution to Superannuation Fund*	40.79	10.56

₹ in lacs

*including charged to Expenditure during construction period.

₹ in lacs

2014-15 **2013-14**
27. EXPENDITURE DURING CONSTRUCTION PERIOD

(Included in capital work in progress)

Balance brought forward	66.27	11.28
Expenditure incurred during the year		
Raw material consumed	85.74	189.54
Salaries, wages and bonus	135.66	57.70
Contribution to provident fund	4.95	3.25
Gratuity expenses	-	0.28
Contribution to other funds	0.65	0.43
Staff and workmen welfare expenses	14.50	1.41
Consumption of stores and spares	32.12	4.76
Packing expenses	2.80	-
Repairs and renewals		
Machinery (excluding stores and spares consumption)	2.40	1.37
General repairs and maintenance	13.15	7.54
Power and fuel	70.72	17.36
Rent	18.22	1.30
Excise duty on stocks	4.43	37.20
Miscellaneous expenses	101.55	62.93
Total expenditure during construction period	486.89	385.07
Less: Turnover (net of excise duty collected ₹ 6.24, Previous Year: ₹ nil)	52.48	-
Less : Stocks of finished goods out of trial run production	29.79	206.76
Total	470.89	189.59
Allocated to fixed assets	456.78	123.32
Balance carried forward	14.11	66.27

28. EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

Revenue expenditure debited to respective heads of account includes expenditure incurred on Research and Development during the year amounting to ₹ 345.66 lacs (Previous Year: ₹ 333.72 lacs) and assets/ equipments purchased for research activities of ₹ 9.34 lacs (Previous Year: ₹ 418.46 lacs) disclosed under Tangible Assets.

29. INTEREST IN JOINT VENTURE COMPANY

The Company's interest in a joint venture company is as follows:

Name of the Joint Venture Company	Country of Incorporation	Proportion of ownership interest	For the year ended on	Description of Interest
Supercor Industries Limited (SIL)	Nigeria	33%	December 31, 2014	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 December 31, 2014 and 2013 are as follows:

Proportion of Company's Interest in a Joint Venture Company

	₹ in lacs	
	31-12-2014	31-12-2013
Assets	(Unaudited)	(Audited)
Fixed assets (net block)	334.41	384.76
Inventories	168.91	202.06
Trade receivables	34.78	80.21
Cash and bank balances	2.85	17.48
Other current assets, loans and advances	58.89	90.37
Liabilities		
Secured loans	28.24	-
Current liabilities and provisions	281.14	308.13
Deferred tax liabilities	36.34	41.30
Income		
Sales	644.27	919.46
Other income	12.29	19.62
Expenses		
Raw materials consumed	363.92	502.21
Manufacturing and Other expenses	358.07	383.08
Interest and Financial charges	35.93	26.72
Depreciation	13.66	8.37
Provision for tax	-	0.57
Proposed dividend	-	-
Contingent liabilities	-	-
Capital commitments	-	-

30. SEGMENT INFORMATION

Business segments

As of March 31, 2015 the Company has organised its operations into three major businesses: Building Products, Thermal Insulation Products (Refractories) and wind power. A description of the types of products and services provided by each reportable business segment is as follows:

Building Products: The Company manufactures and markets fibre cement sheets, Aerocon Panels, AAC blocks and Advanced Polymer Products. The said products are used in construction activity. The Company also trades in allied products like GC Sheets, CC Sheet, AAC Blocks, UCPVC & CPVC pipes & fittings etc.

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

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

Geographical segments

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

a. Primary segment information (by business segments)

The following table presents revenue and profit information regarding business segments for the years ended March 31, 2015 and March 31, 2014 and certain assets and liabilities information regarding business segments as at March 31, 2015 and March 31, 2014.

Particulars	Building Products		Thermal Insulation Products		Wind Power		Elimination		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue										
External Sales*	107697.21	83944.48	2721.54	2682.74	578.62	484.31	-	-	110997.37	87111.53
Other Income**	146.94	162.91	12.18	29.74	-	-	-	-	159.12	192.65
Inter Segment Revenue	-	-	-	-	(218.71)	(164.40)	-	-	(218.71)	(164.40)
Total Revenue	107844.15	84107.39	2733.72	2712.48	359.91	319.91	-	-	110937.78	87139.78
Results										
Segment results	11794.95	4837.12	185.82	369.54	242.93	50.31	-	-	12223.70	5256.97
Interest Income									128.23	169.56
Unallocated corporate expenses (net)									2579.75	3415.19
Operating Profit									9772.18	2011.34
Interest expenses									576.80	1022.57
Taxes (net)									1907.46	199.85
Deferred tax charge									602.25	75.70
Net profit from ordinary activities									6685.67	713.22
Segment assets	70944.14	59251.80	2648.45	2583.83	4748.45	3754.78	-	-	78341.04	65590.41
Unallocated corporate Assets									6848.30	6825.50
Total assets									85189.34	72415.91
Segment liabilities	17088.67	15869.85	451.52	525.19	4.26	6.62	-	-	17544.45	16401.66
Unallocated corporate liabilities									24077.95	17186.29
Total liabilities									41622.40	33587.95
Other segment information										
Capital expenditure	8565.97	5883.01	243.79	30.21	1144.00	-	-	-	9953.76	5913.22
Unallocated capital expenditure									1181.12	2944.74
Depreciation/Amortisation	2687.81	2297.07	104.27	103.63	210.36	305.89	-	-	3002.44	2706.59
Unallocated corporate depreciation/amortisation									399.78	165.86
Provision for doubtful debts, advances and receivables	17.44	252.68	-	-	-	-	-	-	17.44	252.68
Unallocated corporate provision for doubtful debts									-	-

* Sales as per the statement of Profit and Loss is ₹ 110779.14 lacs (Previous Year: ₹ 86947.41 lacs) which includes ₹ 0.48 lacs (Previous Year: ₹ 0.28 lacs) pertaining to Corporate Office.

** Total other income as per the statement of Profit and Loss is ₹ 1762.07 lacs (Previous year : ₹ 799.93 lacs) which includes ₹ 1474.72 lacs (Previous year: ₹ 437.73 lacs) pertaining to Corporate Office.

b. Geographical Segments

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

	₹ in lacs	
	2014-15	2013-14
Domestic Market (excluding Sales during trial run period)	110178.85	86303.11
Overseas Markets (including technical know-how fee)	600.29	644.30
	<u>110779.14</u>	<u>86947.41</u>

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

Domestic Market	6852.85	6676.46
Overseas Markets	11.73	73.03
	<u>6864.58</u>	<u>6749.49</u>

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

31. RELATED PARTY DISCLOSURE

Name of related parties

Joint Venture

Supercor Industries Limited, Nigeria.

Key Management Personnel

Mr. Abhaya Shankar* (Managing Director)

*Resigned effective September 22, 2014

	₹ in lacs	
	2014-15	2013-14
Joint Venture - Supercor Industries Limited		
Transactions during the year		
Sale of finished goods (inclusive of freight recovery)	41.13	26.65
Technical know-how fees received	48.24	68.19
Re-imburement of expenses	-	0.64
Balance outstanding as at the year end		
a) Trade receivable	11.73	11.23
b) Other receivables (includes technical know-how fee)	352.52	380.33
c) Dividend receivable on investments	9.01	9.01
d) Advance from customers	1.16	7.70
Key Management Personnel		
Mr. Abhaya Shankar (Managing Director)		
i) Managerial remuneration*	212.87	204.60
ii) Dividend paid/payable	0.30	0.15
iii) Year end payable	-	25.00

No amount has been provided as doubtful receivable or advance written off or written back in the year in respect of receivable due from/to above related parties.

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

₹ in lacs

	2014-15	2013-14
32. CAPITAL COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1589.81	3831.97
33. CONTINGENT LIABILITIES (Not provided for) in respect of:		
a. Demand raised by the Income tax authorities, being disputed by the Company*	904.03	804.17
b. Demands raised by Sales tax authorities, being disputed by the Company** [refer note below]	1117.05	971.56
c. Demands (Including penalties) raised by Excise authorities, being disputed by the Company***	2310.85	2093.97
d. Appeal filed by the Company before the High Court of Judicature of Andhra Pradesh against the decision of appeal in favour of the Income tax department pertaining to wealth tax matter.	56.98	56.98
e. Pending cases with Income Tax Appellate Authorities where Income Tax Department has preferred appeals****	Liability not ascertainable	Liability not ascertainable
f. Demand for Property Tax, being disputed by the Company	561.86	561.86
g. Other claims against the Company not acknowledged as debts*****	313.10	353.61

* Income tax demand comprises of demand from the Indian tax authorities upon completion of their assessment for the financial years 2008-09 to 2011 -12. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, depreciation expenses on Wind mill and 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.

**** Mainly represents appeal preferred by Indian Tax Authorities in High Court against favourable order of Tribunal for not considering certain amounts under "Long Term Capital Gain".

***** Other claims against the Company not acknowledged as debt mainly includes liability towards fuel surcharge adjustment disputed with Electricity board for the financial year 2008-09 and 2009-10.

The Company is contesting the demands and the Management believe that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in the financial statements for the demand raised / show cause notice received as the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial statement.

Note: In addition to above, the Company has provided ₹ 432.28 lacs (including ₹ 82 lacs provided in current year and ₹ Nil reversed during the current year). All these cases are under litigations and are pending with various authorities, expected timing of resulting outflow of economic benefits cannot be specified.

34. PARTICULARS OF HEDGED/UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE BALANCE SHEET DATE

a. Unhedged Foreign Currency Exposure	Currency	2014-15	2013-14
Trade Payables	US\$	4611149	5678416
	MYR	100800	-
Borrowings	US\$	1550395	-
Trade Receivables	US\$	18758	121948
Other Receivable	Nigerian Naira	106381112	101337135
	US\$	33830	33830
Dividend receivable	Nigerian Naira	2598750	2598750
Cash and Bank Balances	US\$	800	800
Interest accrued but not Due	US\$	3125	-
Loans and Advance	USD	214677	-
	Euro	1607	-
Advances from customers	US\$	36863	61385

Foreign currency conversion rate -

1 US\$ = ₹ 62.51 (Previous Year : ₹ 59.89), 1 Euro = ₹ 67.21 (Previous Year : ₹ 82.27)

1 Naira = ₹ 0.32 (Previous Year : ₹ 0.36)

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

Currency		Number of contracts	Buy Amount in US\$	Purpose
31-Mar-15	USD	8	5251400	For hedging of
31-Mar-14	USD	3	1500000	loans and trade payable

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

	2014-15	2013-14
	₹ in lacs	
a. The principal amount remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
b. The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
c. The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
d. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	NIL	NIL
e. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	NIL	NIL

36. PROVISION FOR EMPLOYEE RELATED OTHER COSTS

	₹ in lacs			
	Opening Balance	Created during the year	Utilised/ recouped during the year	Closing Balance
Employee Related Other Costs (refer note below)	15.39	37.85	11.34	41.90

Note: The wage agreements at three of the manufacturing locations of the Company are pending as at March, 31 2015. It is expected that agreement will be entered in next year and arrears would be paid based on the agreement. The provision for wage arrears have been made on the basis of expected outflows.

37. VALUE OF IMPORTS CALCULATED IN CIF BASIS

	₹ in lacs	
	2014-15	2013-14
a. Raw materials	28940.15	19422.14
b. Stores and spares	15.62	15.69
c. Traded goods	353.74	34.47
d. Capital goods	1818.89	439.42

38. EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)

a. Travelling expenses	33.86	183.93
b. Advertisement and sales promotion expenses	17.36	3.82
c. Professional, consultancy & legal expenses	4.56	36.46
d. Technical services*	461.82	139.10
e. Repairs and renewals - Machinery	33.97	-
f. Miscellaneous expenses	2.99	-

*Incurred towards capitalisation purpose

39. VALUE OF RAW MATERIALS, STORES AND SPARES CONSUMED (INCLUDING MATERIAL CONSUMED DURING THE TRIAL RUN PERIOD) AND PERCENTAGE TO THE TOTAL

	₹ in lacs			
	2014-15		2013-14	
	Percentage	Value	Percentage	Value
a. Raw Materials				
i. Indigenous	49.58	31224.58	45.91	22237.56
ii. Imported	50.42	31759.39	54.09	26204.61
	<u>100.00</u>	<u>62983.97</u>	<u>100.00</u>	<u>48442.17</u>
b. Stores and Spares				
i. Indigenous	99.65	3288.45	99.56	2558.63
ii. Imported	0.35	11.70	0.44	11.40
	<u>100.00</u>	<u>3300.15</u>	<u>100.00</u>	<u>2570.03</u>

40. NET DIVIDEND REMITTED IN FOREIGN CURRENCY

	2014-15	2013-14
	₹ in lacs	
a. Final Dividend		
Number of NRI Shareholders	245	272
Number of Shares held by them	223934	258268
Dividend paid (₹ in lacs) *	-	-
Year to which dividend relates	2013-14	2012-13
b. Interim dividend		
Number of NRI Shareholders	246	-
Number of Shares held by them	221129	-
Dividend paid (₹ in lacs) *	-	-
Year to which dividend relates	2014-15	2013-14

* excluding dividend of ₹ 33.31 lacs (Previous Year: ₹ 32.28 lacs) credited to FCNR/NRE account of NRI's and paid to foreign Institutional Investors on repatriation basis.

41. EARNINGS IN FOREIGN EXCHANGE

	2014-15	2013-14
	₹ in lacs	
(i) Export of Goods (F.O.B.)	298.98	342.66
(ii) Technical know-how fees (on accrual basis)	48.24	68.19
	347.22	410.85

42. With a view to rationalize the workforce at its Hyderabad and Dharuhera units, (Previous Year: Faridabad and Jasidih units) the Company had announced Voluntary Early Retirement Scheme (VERS). In response to the VERS, workmen opted for the same and expenditure of ₹ 332.91 lacs (Previous Year: ₹ 355.42 lacs) on VERS is charged to the statement of profit and loss as an exceptional item.

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

As per our report of even date
 For **S R BATLIBOI & ASSOCIATES LLP**
 Chartered Accountants
 ICAI Firm registration number : 101049W

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

Place: New Delhi
 Date: 27.04.2015

For and on behalf of the Board of Directors

KR Veerappan
 CFO

CK Birla
 Chairman

P Rajesh Kumar Jain
 Company Secretary

Prashant Vishnu Vatkar
 Managing Director

Notice of 68th AGM

To the Shareholders

Notice Is hereby given that the Sixty-Eighth Annual General Meeting of HIL Limited will be held on Thursday, the **30th day of July, 2015**, at 3.00 P.M. at Asbestos Centre, Road No.13, Banjara Hills, Hyderabad, Telangana-500 034 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare final dividend of ₹ 10.00 /- per Equity Share and to confirm the interim dividend of Rs 10.00/- per Equity Share already paid on 74, 62,563 Equity Shares of ₹ 10/- each for the financial year 2014-15.
3. To appoint a director in place of Mr Desh Deepak Khetrupal (DIN-02362633), who retires by rotation and being eligible, offers himself for re-election.
4. To ratify the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants, (ICAI Firm Registration Number: 101049W), as Statutory Auditors and if thought fit to pass with or without modifications(s), the following resolution as an ordinary resolution

“RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013, the company hereby ratifies the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants, [ICAI Firm Registration Number: 101049W], as Statutory Auditors of the company to hold office till the conclusion of the Seventieth Annual General Meeting of the Company to be held in the year 2017, and the Board of Directors be and are hereby authorized to fix their remuneration, in accordance with the recommendation of the Audit Committee in consultation with the auditors.”

Special Business

5. **To consider and appoint Mr. Prashant Vishnu Vatkar (DIN: 07139685) as a Director of the Company.**

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

“RESOLVED THAT pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013, rules made there under read with Schedule IV to the Act and Article 114 of the Articles of Association of the Company, Mr. Prashant Vishnu Vatkar (DIN 07139685), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. April 20, 2015 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Prashant Vishnu Vatkar for the office of the Director of the Company, be and is hereby elected and appointed as an Executive Director, whose period of office shall not be liable to determination by retirement of directors by rotation.”

6. **To consider and appoint Mr. Prashant Vishnu Vatkar (DIN: 07139685) as the Managing Director of the Company.**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (“Companies Act”) and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act (including any statutory modification(s) or re-enactment thereof, for time being in force), subject to all guidelines for managerial remuneration issued by the Central Government from time to time, and approval of Central Government, required if any, and such other consents and approvals as may be required, and as recommended by the Nomination and Remuneration Committee, approval of the Shareholders of the Company be and is hereby accorded for appointment of Mr Prashant Vishnu Vatkar (DIN: 07139685), as the Managing Director, a Whole time Key Managerial Personnel (KMP), of the Company, with substantial powers of management to be exercised by him, subject to the superintendence, control and direction of the Board of Directors of the Company, for a period of 5 (five) Years, effective from 20th April 2015 to 19th April 2020, on the terms and conditions set out in the explanatory statement of this resolution.”

“RESOLVED FURTHER THAT the terms of the appointment of Mr. Prashant Vishnu Vatar shall be subject to revision by the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution), from time to time during the tenure of the appointment, taking into account the performance of the Company, within the overall limit as provided in the explanatory statement of this resolution.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of his tenure, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Mr. Prashant Vishnu Vatar, as Managing Director as provided in the explanatory statement of this resolution.”

“RESOLVED FURTHER THAT the remuneration specified above for Mr. Prashant Vishnu Vatar, Managing Director may, subject to overall ceiling specified above and subject to Schedule V of the Companies Act be modified, during the tenure of office as Managing Director, as may be agreed to by the Board of Directors and Mr Prashant Vishnu Vatar.”

“RESOLVED FURTHER THAT in addition to the Board’s power to terminate services of Mr. Prashant Vishnu Vatar at such shorter notices as may be elaborated in the appointment letter to be issued, the office of Mr Prashant Vishnu Vatar, Managing Director may be terminable by either side on 3 (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, unless such notice or salary (including variable pay) in lieu of the notice has been waived by the other party.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary of the Company be and are hereby directed and severally authorised to complete necessary statutory formalities to give effect to the resolution and to do all such acts, deeds, matter and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution from time to time.”

7. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules framed there under and subject to all other approvals, if any required, the Company be and is hereby authorized to pay an amount of ₹ 6 (Six) Lakhs as remuneration to M/s. S S Zanwar & Associates, Cost Accountants in practice (Registration No. 100283), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016”

“RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary of the Company be and are hereby directed and severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To create, offer, issue and allot Options under Employee Stock Option Scheme

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

“RESOLVED THAT pursuant to the provisions of section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read along with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“Regulations”) (including any statutory amendment, modification or re-enactment to the Act or the Regulations for the time being in force) and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, and upon receipt of recommendation of the Nomination and Remuneration Committee cum Compensation Committee (“NRC”), approval and consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which terms shall be deemed to include any committee including the NRC), to the adoption of the ‘HIL Limited Employees Stock Option Scheme 2015’ (“Scheme”);”

“RESOLVED FURTHER THAT pursuant to the provisions of the Act and in accordance with Memorandum and Articles of Association of the Company, provisions of the Regulations (including any statutory

modification(s) or re-enactment thereof, for the time being in force) consent of the members of the Company be and is hereby accorded to the Board (including NRC or any other Committee which the Board has constituted to be the Compensation Committee as required under the Regulations) to create, offer, issue and allot stock options not exceeding 2,50,000 (Two Lakh Fifty Thousand) into equivalent equity shares each to the eligible employees as determined by the NRC under the Scheme;”

“RESOLVED FURTHER THAT in accordance with the provisions of the Act and in accordance with Memorandum and Articles of Association of the Company, and the Regulations and other applicable laws for the time being in force and as may be amended from time to time consent of the members of the Company be and is hereby accorded to the Board (including NRC or any other Committee which the Board has constituted to be the Compensation Committee as required under the Regulations) for creation, offer, issue and allotment at any time, 2,50,000 (Two Lakh Fifty Thousand) equity shares of Rs 10/- each of the Company , upon exercise of the options, at such price, and on such terms and conditions and upon meeting of such vesting criteria as may be fixed or determined by the NRC in its sole and exclusive discretion;”

“RESOLVED FURTHER THAT the NRC shall be designated as the Compensation Committee for the administration and superintendence of the Scheme in accordance with the Regulations;”

“RESOLVED FURTHER THAT the new equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank *pari passu* in all respects with the existing Equity Shares of the Company; unless otherwise decided by the Board;”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the Scheme on such terms and conditions as contained in the relevant explanatory statement to this notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the Scheme;”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares etc; of the Company, the number of above mentioned Options shall be appropriately adjusted;”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications in the Scheme, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the memorandum of association and articles of association of the Company, the Regulations and any other applicable laws;”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps for listing of the securities allotted under the Scheme on the Stock Exchanges where the existing securities of the Company are listed as per the provision of the Listing Agreements with the concerned stock exchanges and other applicable guidelines, rules and regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of shares, the Board be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to sign any documents, deeds, settle any issues, questions, difficulties or doubts that may arise in this regard;”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc., as may be necessary in this regard.”

By Order of the Board
For HIL Limited

Registered Office:
L7 Floor, SLN Terminus,
Survey No. 133,
Near Botanical Gardens,
Gachibowli,
Hyderabad -500032,
Dated: 12th May, 2015

P Rajesh Kumar Jain
Company Secretary
(FCS 6977)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013("the Act")

The following statement sets out all material facts relating to the business mentioned in Item no. 5 to 8 of the accompanying Notice:

Item No. 5 & 6:

Mr Prashant Vishnu Vatkar, born on 26th October, 1966, has a degree in Mechanical Engineering, from Walchand College of Engineering, Sangli and Masters in Business Administration (Marketing and Operations) from Indian Institute of Management, Ahmedabad. Mr Prashant Vishnu Vatkar has about 25 years of professional experience and has held various managerial positions in large multi-national companies in India and abroad prior to his appointment as the Managing Director of the Company.

Brief resume of Mr Prashant Vishnu Vatkar, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors *inter-se* as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, has been provided in the Corporate Governance Report forming part of the Annual Report of the Company.

On the recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company ("Board") at its meeting dated 20th April, 2015 appointed Mr Prashant Vishnu Vatkar as the Additional Director and Managing Director of the Company for a period of 3 (three) Years with effect from 20th April, 2015. Subsequently, in order to attract, retain and reward talent and align the interests of the certain employees with those of the Company as well as to recognize the dedicated efforts and contributions to the Company's growth and profitability, the Company on the basis of criteria laid down by the Nominee and Remuneration Committee of the Board formulated a Long Term Incentive Policy applicable to the Senior Management including the Managing Director.

Further, taking into consideration duties and responsibilities cast on the Managing Director and to be commensurate with industry norms on the payment of the remuneration to the Managing Director and on the recommendation of the Nomination and Remuneration Committee of the Board, the Board at their meeting held on 12th May, 2015 in partial modification to its resolution dated 20th April, 2015 revised his term of appointment from 3 (three) Years to 5 (five) years with effect from 20th April, 2015 and revised the remuneration and other terms and conditions of the appointment of Mr. Prashant Vishnu Vatkar, subject to the approval by the Shareholders' of the Company and such other consents and approvals that may be required.

It is now proposed to seek the Shareholders' approval for appointment of Mr Prashant Vishnu Vatkar as Director, not liable to retire by rotation and appointment as Managing Director, a Key Managerial Personnel, in terms of the applicable provisions of the (Indian) Companies Act, 2013 ("Act") with effect from 20th April, 2015, on the terms and conditions set out below:

A. Term of the appointment:

From 20th April, 2015 to 19th March, 2020.

B. Remuneration Term:

From 20th April, 2015 to 19th March, 2018 (*i.e.* for first 3 (three) years of the duration of appointment as provided in Paragraph A above).

C. Monthly Emoluments:

1. Basic salary of Rs 7,00,000 (Rupees Seven lacs) per month, subject to revision from time to time with a ceiling of 50% (fifty percent) of the basic salary last drawn.
2. House rent allowance of Rs 2,80,000 (Rupees Two lacs eighty thousand) per month, subject to revision from time to time with a ceiling of 60% (sixty percent) of the basic salary per month.
3. Special allowance of Rs 5,40,000 (Rupees Five lac forty thousand) per month, subject to revision from time to time with a ceiling of the basic salary per month.
4. Conveyance/car allowance of Rs 45,000 (Rupees Forty five thousand) per month, subject to revision from time to time with a ceiling of 10% (ten percent) of the basic salary per month or provision of 1 (one) suitable car of up to a maximum value of Rs 30,00,000 (Rupees Thirty lacs) with chauffeur for Company's business / personal use with full maintenance, in lieu thereof.

D. Performance Variable Pay:

1. Performance variable pay as approved by the Board (or any committee constituted by the Board) upto Rs 51,00,000 (Rupees Fifty one lac) per annum, subject to revision from time to time with a ceiling of 50% (fifty percent) 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.
2. In addition to the aforesaid Performance Variable Pay, Mr Prashant Vishnu Vatkar shall also be eligible for benefits under the Longer Term Incentive Policy.

E. Annual Emoluments:

1. Medical reimbursement of expenses incurred for self and family, subject to a ceiling of Rs 15,000 (Rupees fifteen thousand) per annum.
2. In addition to the medical reimbursement specified above, the medical reimbursement of expenses incurred by his wife and son in Singapore, upto a limit of ₹ 2,75,000 (Rupees Two lakhs Seventy Five Thousand) per annum, for 2 years from the date of his appointment, against the submission of medical bills.
3. Leave Travel Assistance to a maximum of 1 (one) month basic salary per annum for self and family.

F. Other Benefits:

1. Entitlement to shares of the Company in accordance with the ESOP scheme as adopted by the Company.
2. Provident fund and gratuity as per applicable rules of the Company.
3. Medical insurance coverage under the Company's Group Medclaim Insurance as applicable to employees of the Company, from time to time, for self, spouse, 2 (two) dependent children and dependent parents, subject to a minimum coverage of Rs 5,00,000 (Rupees Five lac) per annum for entire family.
4. Personal accidental insurance coverage for self under the Company's Group Personal Accidental Insurance as applicable to employees of the Company, from time to time, subject to a minimum coverage of 40 (forty) times of the basic salary.
5. 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.
6. Privilege leave, casual and sick leave as per the applicable rules/policy of the Company, from time to time.
7. Telephone connection and broad band connection at residence and the actual expenses towards its usage will be reimbursed.
8. 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.

G. Minimum Remuneration:

1. Subject to the provisions of Section 197(1) and other applicable provisions of the Act and subject to the consent of the Shareholders' of the Company, the remuneration payable may exceed

5 % (five percent) of the net profits of the Company.

2. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him with the prior approval of the Central Government or in accordance with the provisions of the Act read with Schedule V of the Act.

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

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

In compliance with the provisions of Sections 152,161,196,197 and other applicable provisions of the Act, read with Schedule V to the Act, the approval of the Shareholders' is sought for the appointment of Mr Prashant Vishnu Vatkar as Director, not liable to retire by rotation and appointment as Managing Director, a Key Managerial Personnel, with effect from 20th April, 2015, on the terms and conditions set out above.

The Board recommends the Ordinary Resolution set out at Item No 5 and Special Resolution set out at Item No. 6 for approval by the Shareholders'.

Item No. 7:

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on April 27th, 2015, has approved the appointment and remuneration of the M/s S S Zanwar & Associates, Cost Accountants in practice, as Cost Auditors of the company to conduct the audit of the cost records of the Company for the financial year ending March 31st, 2016 on a remuneration of ₹ 6 (Six) lakhs.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31st, 2016.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

The Board recommends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the shareholders.

Item No. 8:

Stock options are an effective instrument to align interests of employees with those of a company and provide an opportunity to employees to participate in the growth of the Company, besides creating long term wealth in their hands. This also helps the Company to attract, retain and motivate the best available talent in a competitive environment.

The Company believes in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on the growth path. To this effect, the Company proposes to implement an Employee Stock Option Scheme. The main objective of the scheme is to give employees, who are performing well, a certain minimum opportunity to gain from the Company's performance thereby acting as a retention tool and to attract the best talent available in the market.

The Board of Directors ("Board") of the Company at its meeting held on 12th May, 2015 approved introduction of the 'HIL Limited Employees Stock Option Scheme 2015' ("Scheme") for the benefit of the Eligible Employees (as identified in the Scheme), subject to the approval of the members and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014") as amended from time to time ("Regulations") and authorized the Nomination & Remuneration Committee to formulate the detailed terms and conditions of the Scheme and to administer and implement the Scheme in accordance with the Companies Act, 2013 and the Regulations.

The Board has approved of the Nomination and Remuneration Committee to be designated as the Committee for the administration and superintendence of the Scheme in accordance with the Regulations. Approval of the members is being sought for the issue of Stock Options to the Eligible Employees (as identified in the Scheme).

The following explanatory statement sets out the various disclosures as required by the Regulations.

All capitalized terms not defined herein shall have the meaning ascribed in the Scheme.

1. Total number of Options to be granted:

- a) A total of not exceeding 2,50,000 stock options into equivalent equity shares of Rupee 10/- each Options would be available for grant to the Eligible Employees under the Scheme.
- b) Number of Options shall be adjusted due to any Corporate Action such as, rights issue, bonus issue, split or consolidation of shares etc, of the Company.

- c) Each Option when exercised would give the Participant a right to get 1 (one) fully paid equity share of the Company.
- d) The Options, which will lapse, expire or be forfeited, will be available for further grant to the other Participants.

2. Classes of employees entitled to participate in the Scheme:

Any permanent Employee on the rolls of the Company as on 1 April 2015, whether whole time or not, who are selected by the Nomination & Remuneration Committee under the Scheme eligible for the Options. A new employee who has replaced the old Eligible Employee and has joined the employment of the Company before 30 June 2017 shall also be selected by the Nomination & Remuneration cum Compensation Committee under the Scheme provided that they have been with the Company at least for 6 (six) months prior to 30th June 2017.

3. Requirements of Vesting and period of Vesting

The Options granted shall vest so long as the Participant continues to be in the employment of the Company. The Vesting Period shall be decided by the Nomination & Remuneration Committee from time to time but shall not be less than 1 (one) year.

4. Exercise Price or pricing formula

The exercise price and/or the pricing formula shall be decided by the Nomination & Remuneration Committee from time to time.

5. Exercise Period and process of exercise:

The Nomination & Remuneration Committee shall decide the exercise period from time to time which can be extended up to the Closing Date or 4 (four) years from the date the Options have vested.

The Participant can exercise the Options at any time after the vesting date by making full payment of exercise price and applicable taxes and by execution of such documents as may be prescribed by the Nomination & Remuneration Committee, from time to time.

6. Appraisal process for determining the eligibility of employees under the ESOP Scheme:

The process for determining the eligibility of the employees will be specified by the Nomination & Remuneration Committee and will be based on designation, age of the employee, band, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination & Remuneration Committee at its sole discretion, from time to time.

7. Maximum number of options to be granted per employee:

Maximum number of Options to be granted to an Eligible Employee will be based on the percentage of the Participant's compensation and will be determined by the Nomination & Remuneration Committee on a case to case basis subject to a maximum of 75,000 options per employee.

8. Accounting Method:

The Company shall comply with the disclosures, the accounting policies and other requirements as may be prescribed under the Regulations and other applicable laws from time to time.

9. Valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' report.

The Nomination & Remuneration Committee shall have all the powers to take necessary decisions for effective implementation of the Scheme. In terms of the provisions of the Regulations, Scheme is required to be approved by the members by passing of special resolution.

A copy of the draft Scheme will be available for inspection on all working days (Monday to Friday) between [10:00 A.M to 5:30 P.M at the registered office of the Company].

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) except to the extent of the stock options that may be granted to them under Scheme.

The Board recommends passing of the resolution as set out under Item No. 8 of the Notice for approval of the members as a special resolution.

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

Registered Office:
L7 Floor, SLN Terminus,
Survey No. 133,
Near Botanical Gardens,
Gachibowli,
Hyderabad -500032,
Dated: 12th May, 2015

P Rajesh Kumar Jain
Company Secretary
(FCS 6977)

NOTES:

1. The relative Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the Notice are annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting
8. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday 24th July, 2015 to Thursday 30th July, 2015** (both days inclusive),

- for annual closing and determining the entitlement of the shareholders to the final dividend for 2014-15.
9. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched by **Thursday, 6th August, 2015** to those members whose names shall appear on the Company's Register of Members as on book closure date and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on the close of business hours on **Thursday 23rd July, 2015**.
 10. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. The Members holding shares in physical form are requested to advise any change of address and / or bank mandate immediately to M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500018.
 11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500018.
 12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
 13. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. The directors have furnished the requisite declarations for their appointment/ re-appointment.
 14. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
 15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued there under, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of HIL to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad - 500018. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.
 16. Copies of the Annual Report 2014-2015 are being sent by electronic mode only to all the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014-2015 are being sent by the permitted mode.
 17. The Notice of the 68th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
 18. Members may also note that the Notice of the 68th AGM and the Annual Report 2014-15 will be available on the Company's website www.hil.in.
 19. 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.

20. Members wishing to claim dividends, which remain unclaimed are requested to correspond with **M/s.Venture Capital and Corporate Investments Pvt.Ltd.**, 12-10-167, Bharat Nagar, Hyderabad - 500018. Email: info@vccilindia.com; Tel: 040-23818475/76; Fax: 040-23868024.
21. **Voting through electronic means**
- I. In compliance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 68th Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on **27th July, 2015 (9:00 A.M.)** and ends on **29th July, 2015 (5:00 P.M.)**. During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of **Thursday 23rd July, 2015**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an e-mail from NSDL (for members whose e-mail ID's are registered with the Company/ Depository Participant(s)):
 - i. Open the e-mail and also open PDF file attached with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - iii. Click on Shareholder-Login
 - iv. Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.
 - v. Password Change Menu appears, Change the password/ PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - vii. Select the EVEN (E-Voting Event Number) of Hil Limited.
 - viii. Now you are ready for remote e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional shareholders (i.e other than individuals, HUF, NRIs, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc., together with the attested specimen signature(s) of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer via email at: psraoassociates@gmail.com with a copy marked to evoting@nsdl.co.in and cs@hil.in .

- B. In case a Member receives physical copy of the Notice of Annual General Meeting (for Members whose email addresses are not registered with the Company/ Depository Participant(s) or requesting physical copy):**
- i. Initial password is provided with the copy of this notice in separate sheet:
EVEN(Remote e-voting Event Number), USER ID PASSWORD/ PIN
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - VI. In case of any queries, you may refer the Frequently Asked Questions (FAQ's) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
 - VIII. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
 - IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date of **Thursday 23rd July, 2015**.
 - X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e **Thursday 23rd July, 2015**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA M/s. Venture Capital and Corporate Investments Pvt.Ltd.12-10-167, Bharat Nagar, Hyderabad - 500018. Email: info@vccilindia.com; Tel: 040-23818475/76; Fax: 040-23868024.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: **1800-222-990**.
 - XI. A member may participate in the Annual General Meeting even after exercising his/ her right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.
 - XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through ballot paper.
 - XIII. **Ms. CS N Vanitha** of P S Rao & Associates, Practicing Company Secretaries (M.no :A 26859 & CP No:10573), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - XIV. The Chairman shall , at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
 - XV. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - XVI. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hil.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the shares of the Company are listed.

UPDATION OF EMAIL ID

Kindly ensure to update your fresh Email ID with the Company/Depository if you have changed the same.

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

Name and Address of the Shareholder(s)

E-mail id : Folio No./ Dpid & Client id :

I/We being the member(s) ofShares of HIL Limited, hereby appoint.

1. Name :Email id :

Address :

Signature :

Or failing him

2. Name :Email id :

Address :

Signature :

Or failing him

3. Name :Email id :

Address :

Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Sixty Eighth Annual General Meeting of the company at Asbestos Centre, Road No. 13, Banjara Hills, Hyderabad -500 034, Telangana at 3.00 pm on Thursday, July 30, 2015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. To receive, consider and adopt the financial statements of the Company and the reports of the Board of Directors and Auditors for the financial year ended March 31, 2015.
2. To declare final dividend of ₹ 10.00/- and to confirm the interim dividend of ₹ 10.00/- per Equity Share on 74,62,563 Equity Shares of ₹ 10/- each for the financial year 2014-15.
3. To appoint a Director in place of Mr Desh Deepak Khetrpal (DIN 02362633), who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify appointment of M/s S R Batliboi & Associates LLP., Chartered Accountants, (ICAI Firm Registration Number:101049W) as Statutory Auditors.

Special Business:

5. To appoint Mr. Prashant Vishnu Vatkar (DIN 07139685) as Director:
6. To appoint Mr. Prashant Vishnu Vatkar (DIN 07139685) as Managing Director:
7. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016:
8. To Create, offer, issue and allot Options under Employee Stock Option Scheme:

Signed this day of 2015

Signature of Shareholder Signature of Proxyholder(s)

NOTES:

1. This form in order to be effective should be duly completed and deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. Those members who have multiple folios with different joint holders may use copies of this Proxy.

Routemap to AGM Venue



Note: Pickup facility will be available at the beginning of Road No. 13, Banjara Hills, Hyderabad from 2.00 p.m. onwards.

CK BIRLA GROUP

HIL

THE WILL TO EXCEL

HIL Limited
Annual Report
2013 - 14

What sets apart the forward thinking companies from the also-rans? At HIL, we believe it boils down to how tirelessly a company dedicates itself to excellence, in every aspect of its operations - no matter the circumstances.

The previous year saw the industry experience its share of trying times: with a turbulent economy and tough market conditions. While these circumstances tested the best of firms, at HIL we never allowed our focus on excellence to relent.

It is this “Will to Excel” that we've chosen to celebrate in this year's annual report, as a perfect encapsulation of our efforts in the year gone by.

HIL Limited
SLN Terminus, 7th floor, Sy 133, Gachibowli
Hyderabad 500032, Telangana, India +91 40 30999000 www.hil.in