

# Independent Auditor's Report

To  
 The Members of **HIL Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of HIL Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of

the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

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

### Revenue Recognition

See Note 23 to standalone financial statements

| The key audit matter  | How the matter was addressed in our audit   |
|---|---|
| <p>The Company's revenue is primarily derived from sale of products of roofing solutions, building solutions, polymer solutions and others.</p> <p>We have identified timing of revenue recognition as a key audit matter because there are variations in different sale contracts and consequently, there is a risk of revenue being overstated on account of recognition before transfer of control particularly due to pressures for achieving the performance targets for the year.</p> | <p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>We assessed the appropriateness of the revenue recognition accounting policies and compliance with Indian accounting standards;</li> <li>We evaluated the design and implementation of key internal financial controls with respect to revenue recognition and tested operating effectiveness of such controls on selected transactions;</li> <li>We performed substantive testing on samples selected using statistical sampling of revenue transactions, recorded during the year by testing the underlying documents to assess whether criteria for revenue recognition are met;</li> <li>We tested sample journal entries selected based on specified risk-based criteria, to identify unusual items;</li> <li>We tested, on a sample basis using statistical sampling, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by testing the underlying documents; and</li> <li>We carried out product wise year on year variance analysis on revenue recognised during the year to identify unusual variances.</li> </ul> |

## Impairment of non-current investments in subsidiary

See Note 7 to standalone financial statements

### The key audit matter

The Company has non-current investments in its subsidiary, HIL International GmbH, Germany amounting to INR 27,346.24 lacs. The Company's investments in subsidiary are valued at cost less provision for other than temporary impairment. These investments are assessed for impairment when an indicator of impairment exists. The Management annually assesses the existence of impairment indicators and performs impairment testing if there is any indicator.

In performing the impairment test, the Company has made several key assumptions, such as growth rates, discount rates and forecasted cash flows relating to the aforesaid entity.

We identified impairment of non-current investment in subsidiary as a key audit matter because these estimates involve significant judgement, and the underlying assumptions are inherently uncertain.

### How the matter was addressed in our audit

Our audit procedures include the following:

- We evaluated the design and implementation of key internal financial controls of the Company with respect to the impairment assessment of investments and tested operating effectiveness of such controls;
- Evaluated the impairment indicator assessment performed by the Company considering quantitative and qualitative factors;
- We tested budgeting procedures upon which the cash flow forecasts were based. We also compared the actual past performances with the budgeted figures;
- We involved internal valuation specialists to assist us in evaluating the key assumptions and methodology used by the Company, in particular those relating to the forecast of the revenue growth, profit margins and discount rate. Internal valuation specialists also compared the assumptions to externally derived data in relation to key inputs such as projected economic growth, competition, cost inflation and discount rates;
- We assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions; and
- We assessed the adequacy of the disclosures including disclosures of key assumptions, judgments and sensitivities.

## Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 49 to the standalone financial statements.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the Note 60 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or

in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 60 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Companies Act 2013.
- The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 16 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- (i) In case of an accounting software used for maintaining general ledger, the feature of recording audit trail (edit log) facility was not enabled at the application level for the period 01 April 2023 to 15 April 2023. Further, the audit trail feature was not enabled at the database level to log any direct data changes.
- (ii) In the absence of an independent service auditor's report from 01 January 2024 to 31 March 2024 in relation to controls at a service organisation for an accounting software used for maintaining the books of account relating to payroll records and employee expense reimbursements, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated from 01 January 2024 to 31 March 2024 for all relevant transactions recorded in the software.
- (iii) The accounting software used for maintaining the books of account relating to vendor invoice processing did not have the feature of recording audit trail (edit log) facility.
- Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across

any instance of the audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

We draw attention to Note 40 to the standalone financial statements for the year ended 31 March 2024 according to which the managerial remuneration paid / payable to the Managing Director and Chief Executive Officer of the Company is INR 854.11 lacs as compared to the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 of INR 578.39 lacs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting. Our opinion is not modified in respect of this matter.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R and Co**  
*Chartered Accountants*  
 Firm's Registration No.:128510W

**Sulabh Kumar Kedia**  
*Partner*

Place: New Delhi  
 Date: 07 May 2024

Membership No.: 066380  
 ICAI UDIN:24066380BKGXQK1823

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies noticed on such verification.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

| Description of property | Gross carrying value (INR in lacs) | Held in the name of  | Whether promoter, director or their relative or employee | Period since when it is held | Reason for not being held in the name of the Company  |
|-------------------------|------------------------------------|--|--|------------------------------|---|
| Freehold Land           | 1.27                               | Faridabad Complex Administration (now known as Municipal Corporation of Faridabad) | No   | 1964                         | Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad. |
| Land                    | 427.60                             | The Embassy of Union of Soviet Socialist Republics                                 | No   | 1989                         | The process for transfer of property in the name of the Company is in progress.   |

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts or disptach has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in other parties and has granted loans and provided guarantee to



Companies in respect of which the requisite information is as below. The Company has not granted any loans, secured or unsecured or provided any guarantee to firms, limited liability partnership or any other parties. The Company has not made any investments in companies, firms and limited liability partnership during the year.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee to any other entity as below:

| Particulars  | Guarantees    | Security | Loans        | Advances in nature of loans |
|--|---------------|----------|--------------|-----------------------------|
| Aggregate amount granted during the year                                   | INR 28,484.31 | -        | INR 3,641.30 | -                           |
| Subsidiaries*  | lacs          |          | lacs         |                             |
| Balance outstanding as at balance sheet date in respect of the above cases | INR 23,463.90 | -        | INR 3,595.87 | -                           |
| Subsidiaries*  | lacs          |          | lacs         |                             |

\*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company and
- the loans and guarantee provided to the parties covered under Section 186 of the Act, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of professional tax, provident fund and Tax deducted at source.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Duty of Excise or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute              | Nature of the dues                  | Amount (INR in lacs)* | Period to which the amount relates   | Forum where dispute is pending                     |
|----------------------------------|-------------------------------------|-----------------------|--|--|
| Central Sales Tax Act, 1956      | Sales tax/ Value added tax          | 2.66                  | 1988-89<br>1990-91<br>1997-98  | Supreme Court of India                             |
| Central Sales Tax Act, 1956      | Sales tax/ Value added tax          | 85.76                 | 1981-82<br>1985-86<br>2001-02<br>2002-03<br>2012-13<br>2013-14<br>2014-15<br>2015-16<br>2016-17<br>2017-18 | High Court(s)                                      |
| Central Sales Tax Act, 1956      | Sales tax/ Value added tax          | 202.85                | 1989-2002<br>2007-2018   | Tribunal(s)  |
| Central Sales Tax Act, 1956      | Sales tax/ Value added tax          | 409.78                | 1993-1995<br>1997-1998<br>1999-2000<br>2001-2006<br>2007-2008<br>2011-2012<br>2013-2017                    | Appellate authority upto commissioner's level      |
| Goods and Services Tax Act, 2017 | Goods and Service tax               | 743.44                | 2017-23  | Appellate authority upto commissioner's level      |
| Goods and Services Tax Act, 2017 | Goods and Service tax               | 6,665.38              | 2017-23  | High Court of Tamil Nadu                           |
| The Central Excise Act, 1944     | Excise duty (including service tax) | 90.10                 | 2004-09  | Supreme Court of India                             |
| The Central Excise Act, 1944     | Excise duty (including service tax) | 1.28                  | 2007-08  | High Court(s)                                      |
| The Central Excise Act, 1944     | Excise duty (including service tax) | 369.35                | 2008-18  | CESTAT(s)  |
| The Central Excise Act, 1944     | Excise duty (including service tax) | 236.95                | 2003-09<br>2014-17   | Appellate authority upto commissioner's level      |
| Income-tax Act, 1961             | Income-tax                          | 935.77                | 2005-06<br>2013-14   | Hon'ble High Court of Telangana and Andhra Pradesh |
| Income-tax Act, 1961             | Income-tax                          | 1,165.48              | 2017-18<br>2019-20<br>2020-21<br>2021-22   | Appellate authority upto commissioner's level      |
| Wealth tax                       | Wealth tax                          | 56.98                 | 1994-95<br>1995-96<br>1996-97<br>1997-98<br>1998-99  | Hon'ble High Court of Telangana and Andhra Pradesh |

\*The amounts disclosed are net of payments (including amount paid under protest) and include interest and penalties, wherever applicable.

As explained to us, the Company did not have any disputed statutory dues on account of Provident Fund, Employees' State Insurance and Duty of Customs.



- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet

date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R and Co**

*Chartered Accountants*

Firm's Registration No.:128510W

**Sulabh Kumar Kedia**

*Partner*

Place: New Delhi

Date: 07 May 2024

Membership No.: 066380

ICAI UDIN:24066380BKGXQK1823

## Annexure B to the Independent Auditor's Report on the standalone financial statements of HIL Limited for the year ended 31 March 2024

### Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

We have audited the internal financial controls with reference to financial statements of HIL Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R and Co**  
Chartered Accountants  
Firm's Registration No.: 128510W

**Sulabh Kumar Kedia**  
Partner

Place: New Delhi  
Date: 07 May 2024

Membership No.: 066380  
ICAI UDIN: 24066380BKGXQK1823

# Standalone Balance Sheet

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

| Particulars  | Notes    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|----------|------------------------|------------------------|
| <b>I ASSETS</b>  |          |                        |                        |
| <b>Non-current assets</b>  |          |                        |                        |
| (a) Property, plant and equipment  | 4        | 62,454.90              | 6,1973.63              |
| (b) Capital work-in-progress   | 4        | 3,626.87               | 2,905.38               |
| (c) Investment property  | 5        | 1,911.35               | 1,941.72               |
| (d) Goodwill   | 6 and 33 | 747.25                 | 747.25                 |
| (e) Other intangible assets  | 6        | 2,180.97               | 2,334.35               |
| (f) Intangible assets under development  | 6        | 518.51                 | 166.11                 |
| (g) Financial assets   |          |                        |                        |
| (i) Investments  | 7        | 27,379.97              | 27,379.90              |
| (ii) Trade receivables   | 8        | 31.21                  | 20.80                  |
| (iii) Loans  | 9        | 12,136.08              | 8,499.34               |
| (iv) Other financial assets  | 10       | 1,568.84               | 18,80.45               |
| (h) Non-current tax assets (net)   |          | 584.56                 | 539.19                 |
| (i) Other non-current assets   | 11       | 1,573.41               | 1206.88                |
| <b>Total non-current assets</b>  |          | <b>1,14,713.92</b>     | <b>109595.00</b>       |
| <b>Current assets</b>  |          |                        |                        |
| (a) Inventories  | 12       | 41,428.10              | 36,751.54              |
| (b) Financial assets   |          |                        |                        |
| (i) Investments  | 7        | 10,229.38              | -                      |
| (ii) Trade receivables   | 8        | 13,481.04              | 10995.84               |
| (iii) Cash and cash equivalents  | 13       | 6,846.25               | 953.39                 |
| (iv) Bank balances other than (iii) above  | 14       | 91.83                  | 86.31                  |
| (v) Other financial assets   | 10       | 2,870.24               | 2546.18                |
| (c) Other current assets   | 11       | 5,553.42               | 6668.13                |
| <b>Total current assets</b>  |          | <b>8,05,00.26</b>      | <b>58001.39</b>        |
| <b>TOTAL ASSETS</b>  |          | <b>1,95,21,4.18</b>    | <b>167596.39</b>       |
| <b>II EQUITY AND LIABILITIES</b>   |          |                        |                        |
| <b>Equity</b>  |          |                        |                        |
| (a) Equity share capital   | 15       | 756.81                 | 756.48                 |
| (b) Other equity   | 16       | 118319.45              | 110662.24              |
| <b>TOTAL EQUITY</b>  |          | <b>1,19,076.26</b>     | <b>111418.72</b>       |
| <b>Liabilities</b>   |          |                        |                        |
| <b>Non-current liabilities</b>   |          |                        |                        |
| (a) Financial liabilities  |          |                        |                        |
| (i) Borrowings   | 17       | 11200.00               | 1187.80                |
| (ia) Lease liabilities   | 18       | 349.27                 | 482.74                 |
| (ii) Other financial liabilities   | 20       | 21.68                  | 19.27                  |
| (b) Provisions   | 21       | 1558.56                | 1333.57                |
| (c) Deferred tax liabilities (net)   | 34       | 3128.54                | 3712.52                |
| (d) Other non-current liabilities  | 22       | -                      | 28.18                  |
| <b>Total non-current liabilities</b>   |          | <b>16258.05</b>        | <b>6764.08</b>         |
| <b>Current liabilities</b>   |          |                        |                        |
| (a) Financial liabilities  |          |                        |                        |
| (i) Borrowings   | 17       | 20,109.91              | 10525.52               |
| (ia) Lease liabilities   | 18       | 165.22                 | 275.74                 |
| (ii) Trade payables  |          |                        |                        |
| Total outstanding dues of micro enterprises and small enterprises                      | 19       | 2,068.83               | 2203.00                |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 19       | 21,729.10              | 21223.60               |
| (iii) Other financial liabilities  | 20       | 11,242.29              | 11332.07               |
| (b) Other current liabilities  | 22       | 3,204.95               | 2674.82                |
| (c) Provisions   | 21       | 1,166.73               | 986.00                 |
| (d) Current tax liabilities (net)  |          | 192.84                 | 192.84                 |
| <b>Total current liabilities</b>   |          | <b>59,879.87</b>       | <b>49413.59</b>        |
| <b>TOTAL LIABILITIES</b>   |          | <b>76,137.92</b>       | <b>56177.67</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |          | <b>1,95,214.18</b>     | <b>167596.39</b>       |
| Summary of material accounting policies  | 3        |                        |                        |
| See accompanying notes to the standalone financial statements                          |          |                        |                        |

As per our Report of even date attached

for **B S R and Co**  
Chartered Accountants  
ICAI Firm Registration Number: 128510W

**Sulabh Kumar Kedia**  
Partner  
Membership No.: 066380  
Place: New Delhi  
Date: 07 May 2024

for and on behalf of the Board of Directors of **HIL Limited**  
CIN No.: L74999TG1955PLC000656

**CK Birla**  
Chairman  
DIN: 00118473  
Place: New Delhi

**Ajay Kapadia**  
Chief Financial Officer  
Membership No.: 108447  
Place: New Delhi  
Date: 07 May 2024

**Akshat Seth**  
Managing Director and  
Chief Executive Officer  
DIN: 10039820  
Place: New Delhi

**Nidhi Bisaria**  
Company Secretary  
Membership No.: F5634  
Place: New Delhi

# Standalone Statement of Profit and Loss

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

| Particulars   | Notes | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------|-------------------------------------|-------------------------------------|
| <b>I Revenue from operations</b>  | 23    | 2,23,085.27                         | 2,15,520.48                         |
| Other income  | 24    | 3,591.08                            | 3,252.36                            |
| <b>TOTAL INCOME (I)</b>   |       | <b>2,26,676.35</b>                  | <b>2,18,772.84</b>                  |
| <b>II EXPENSES</b>  |       |                                     |                                     |
| Cost of materials consumed  | 25    | 1,20,841.85                         | 1,20,156.76                         |
| Purchases of stock-in-trade   | 26    | 10,840.35                           | 6,434.98                            |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress   | 27    | (1,383.42)                          | (1,226.65)                          |
| Employee benefits expense   | 28    | 19,281.47                           | 16,195.98                           |
| Finance costs   | 29    | 1,074.74                            | 662.85                              |
| Depreciation and amortisation expenses  | 30    | 6,795.59                            | 5,805.53                            |
| Other expenses  | 31    | 59,644.31                           | 54,375.42                           |
| <b>TOTAL EXPENSES (II)</b>  |       | <b>2,17,094.89</b>                  | <b>2,02,404.87</b>                  |
| <b>III Profit before tax and exceptional items (I-II)</b>                       |       | <b>9,581.46</b>                     | <b>16,367.97</b>                    |
| <b>IV Exceptional Items</b>   | 66    | <b>3,721.29</b>                     | -                                   |
| <b>V Profit before tax (III+IV)</b>   |       | <b>13,302.75</b>                    | <b>16,367.97</b>                    |
| <b>VI Tax expense:</b>  |       |                                     |                                     |
| Current tax   | 34    | 3,584.41                            | 3,022.82                            |
| Deferred tax  | 34    | (579.33)                            | 335.31                              |
| <b>VII Profit for the year (V-VI)</b>   |       | <b>10,297.67</b>                    | <b>13,009.84</b>                    |
| <b>VIII Other comprehensive income/ (loss)</b>                                  |       |                                     |                                     |
| Items that will not be reclassified subsequently to profit or loss              |       |                                     |                                     |
| (a) Remeasurements of defined benefit (liability) / asset                       | 36    | (18.50)                             | 118.52                              |
| Income-tax relating to above item   | 34    | 4.64                                | (29.83)                             |
|   |       | <b>(13.86)</b>                      | <b>88.69</b>                        |
| (b) Fair value changes on equity investments through other comprehensive income | 7     | 0.07                                | (0.58)                              |
| Income-tax relating to above item   | 34    | (0.02)                              | 0.12                                |
|   |       | <b>0.05</b>                         | <b>(0.46)</b>                       |
| <b>Other comprehensive income for the year, net of tax</b>                      |       | <b>(13.81)</b>                      | <b>88.23</b>                        |
| <b>IX Total comprehensive income for the year (VII+VIII)</b>                    |       | <b>10,283.86</b>                    | <b>13,098.07</b>                    |
| <b>X Earnings per equity share (Face value of INR 10 each)</b>                  | 37    |                                     |                                     |
| Basic (in INR)  |       | 136.59                              | 172.95                              |
| Diluted (in INR)  |       | 136.59                              | 172.91                              |
| Summary of material accounting policies   | 3     |                                     |                                     |
| See accompanying notes to the standalone financial statements                   |       |                                     |                                     |

As per our Report of even date attached  
for **B S R and Co**  
Chartered Accountants  
ICAI Firm Registration Number: 128510W

for and on behalf of the Board of Directors of **HIL Limited**  
CIN No.: L74999TG1955PLC000656

**Sulabh Kumar Kedia**  
Partner  
Membership No.: 066380  
Place: New Delhi  
Date: 07 May 2024

**CK Birla**  
Chairman  
DIN: 00118473  
Place: New Delhi

**Akshat Seth**  
Managing Director and  
Chief Executive Officer  
DIN: 10039820  
Place: New Delhi

**Ajay Kapadia**  
Chief Financial Officer  
Membership No.: 108447  
Place: New Delhi  
Date: 07 May 2024

**Nidhi Bisaria**  
Company Secretary  
Membership No.: F5634  
Place: New Delhi

# Standalone Statement of Cash Flows

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| <b>A Cash flows from operating activities</b>                           |                                     |                                     |
| Profit for the year (before tax)  | 13,302.75                           | 16,367.97                           |
| Adjustments for:  |                                     |                                     |
| Depreciation and amortisation expense                                   | 6,795.59                            | 5,805.53                            |
| Rental income from investment property                                  | (559.98)                            | (497.63)                            |
| Provision for impairment of receivables, advances and other assets, net | 221.74                              | 163.46                              |
| Liabilities no longer required written back                             | (439.62)                            | (95.80)                             |
| Bad debts written off   | 204.69                              | -                                   |
| Net loss on sale of property, plant and equipment                       | 104.02                              | 180.86                              |
| Foreign exchange fluctuations, net                                      | 16.91                               | (655.68)                            |
| Gain on sale of non-current assets held for sale                        | (3,721.29)                          | -                                   |
| Change in fair value of financial assets measured at FVTPL, net         | 968.34                              | (250.58)                            |
| Gain on sale of current investments net                                 | (34.20)                             | (79.56)                             |
| Employee share based payment expense / (reversal)                       | 348.04                              | (106.08)                            |
| Finance costs   | 1074.74                             | 662.85                              |
| Interest income   | (38.00)                             | (74.31)                             |
| Interest income from loan to subsidiary                                 | (864.12)                            | (659.76)                            |
| Interest income on income-tax refund                                    | -                                   | (504.70)                            |
| Government grant  | (84.55)                             | (84.55)                             |
| Dividend income on equity securities                                    | (0.25)                              | (0.38)                              |
| <b>Operating profit before working capital adjustments</b>              | <b>17294.81</b>                     | <b>20171.64</b>                     |
| Working capital adjustments:  |                                     |                                     |
| Increase in inventories   | (4,676.56)                          | (2,449.41)                          |
| Increase in trade receivables   | (2,922.04)                          | (2,086.60)                          |
| Increase in other financial assets                                      | (137.39)                            | (169.45)                            |
| Decrease / (increase) in other assets                                   | 893.27                              | (1209.95)                           |
| Increase in trade payables  | 359.87                              | 3100.47                             |
| Increase / (decrease) in other financial liabilities                    | 66.08                               | (2071.38)                           |
| Increase / (decrease) in provisions                                     | 387.22                              | (757.58)                            |
| Increase / (decrease) in other liabilities                              | 39.17                               | (251.40)                            |
| <b>Cash generated from operating activities</b>                         | <b>11,304.43</b>                    | <b>14,276.34</b>                    |
| Income-tax paid (net of refund)   | (3,629.81)                          | (1,908.43)                          |
| <b>Net cash from operating activities (A)</b>                           | <b>7,674.62</b>                     | <b>12,367.91</b>                    |
| <b>B Cash flows from investing activities</b>                           |                                     |                                     |
| Acquisition of property, plant and equipment                            | (8,429.84)                          | (10,710.62)                         |
| Proceeds from sale of property, plant and equipment                     | 14.85                               | 39.17                               |
| Proceeds from sale of non-current assets held for sale                  | 3,756.68                            | -                                   |
| Advance for sale of non-current asset held for sale                     | 830.00                              | -                                   |
| Acquisition of business   | -                                   | (3628.50)                           |
| Proceeds from sale of mutual funds                                      | 10,533.68                           | 29,028.11                           |
| Purchase of mutual funds  | (20,698.97)                         | (28,948.55)                         |
| Interest received   | 27.01                               | 147.98                              |
| Dividend received   | 0.25                                | 0.38                                |
| Bank balances not considered as cash and cash equivalents (net)         | (5.52)                              | 1043.24                             |
| Loans given to subsidiary   | (3,641.30)                          | (1,606.20)                          |
| Loans repaid by subsidiary  | -                                   | 1684.35                             |
| Rent received from long-term investment in properties                   | 559.98                              | 497.63                              |
| <b>Net cash used in investing activities (B)</b>                        | <b>(17,053.18)</b>                  | <b>(12,453.01)</b>                  |
| <b>C Cash flows from financing activities*</b>                          |                                     |                                     |
| Repayment of long-term borrowings                                       | (4.98)                              | (3,017.08)                          |
| Receipts of long-term borrowings  | 12,003.95                           | -                                   |
| Receipts of short-term borrowings (net)                                 | 7,496.06                            | 7,996.81                            |
| Interest on lease liabilities   | (48.13)                             | (62.49)                             |
| Repayment of lease liabilities  | (275.17)                            | (250.37)                            |
| Finance costs   | (920.34)                            | (471.78)                            |
| Proceeds from issue of share capital                                    | 41.17                               | 292.01                              |
| Dividend paid on equity shares  | (3021.14)                           | (4884.28)                           |
| <b>Net cash from / (used in) financing activities (C)</b>               | <b>15,271.42</b>                    | <b>(397.18)</b>                     |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>   | <b>5,892.86</b>                     | <b>(482.28)</b>                     |
| Cash and cash equivalents at the beginning of the year                  | 953.39                              | 1435.67                             |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>6,846.25</b>                     | <b>953.39</b>                       |



# Standalone Statement of Cash Flows (Contd.)

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## \* Changes in liabilities arising from financing activities:

| Particulars           | As at<br>01 April 2023 | Cash flow changes | Non-cash changes | As at<br>31 March 2024 |
|-----------------------|------------------------|-------------------|------------------|------------------------|
| Long-term borrowings  | 1,192.78               | 11,998.97         | 103.47           | 13,295.22              |
| Short-term borrowings | 10,520.54              | 7,496.06          | (1.91)           | 18,014.69              |
| Lease liabilities     | 758.48                 | (323.30)          | 79.31            | 514.49                 |

| Particulars           | As at<br>01 April 2022 | Cash flow changes | Non-cash changes | As at<br>31 March 2023 |
|-----------------------|------------------------|-------------------|------------------|------------------------|
| Long-term borrowings  | 4,114.51               | (3,017.08)        | 95.35            | 1,192.78               |
| Short-term borrowings | 2,503.19               | 7,996.81          | 20.54            | 10,520.54              |
| Lease liabilities     | 692.03                 | (312.86)          | 379.31           | 758.48                 |

- a) The above standalone statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.
- b) Cash and cash equivalents comprises of:

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Balances with banks:                                  |                        |                        |
| - On current accounts                                 | 6,846.25               | 953.39                 |
| <b>Cash and cash equivalents as per balance sheet</b> | <b>6,846.25</b>        | <b>953.39</b>          |

Summary of material accounting policies (refer note 3)

See accompanying notes to the standalone financial statements

As per our Report of even date attached  
for **B S R and Co**  
Chartered Accountants  
ICAI Firm Registration Number: 128510W

for and on behalf of the Board of Directors of **HIL Limited**  
CIN No.: L74999TG1955PLC000656

**Sulabh Kumar Kedia**  
Partner  
Membership No.: 066380  
Place: New Delhi  
Date: 07 May 2024

**CK Birla**  
Chairman  
DIN: 00118473  
Place: New Delhi

**Akshat Seth**  
Managing Director and  
Chief Executive Officer  
DIN: 10039820  
Place: New Delhi

**Ajay Kapadia**  
Chief Financial Officer  
Membership No.: 108447  
Place: New Delhi  
Date: 07 May 2024

**Nidhi Bisaria**  
Company Secretary  
Membership No.: F5634  
Place: New Delhi

# Standalone Statement of Changes in Equity

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## a. Equity share capital

| Particulars                        | Balance at the beginning of the year | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the year | Changes in equity share capital during the year | Balance at the end of the year |
|------------------------------------|--------------------------------------|--|---|---|--------------------------------|
| <b>Balance as at 31 March 2024</b> | <b>756.48</b>                        | -  | <b>756.48</b>                                 | <b>0.33</b>                                     | <b>756.81</b>                  |
| Balance as at 31 March 2023        | 754.11                               | -  | 754.11  | 2.37  | 756.48                         |

## b. Other equity

| Particulars  | Reserves and surplus |                    |                  |                            |                                    | Items of OCI                   | Total              |
|--|----------------------|--------------------|------------------|----------------------------|------------------------------------|--------------------------------|--------------------|
|  | Retained earnings    | Securities premium | General reserve  | Capital redemption reserve | Shares options outstanding account | Equity investments through OCI |                    |
| <b>Balance at 01 April 2022</b>                                    | <b>57,685.20</b>     | <b>1,192.50</b>    | <b>43,100.00</b> | <b>35.00</b>               | <b>230.95</b>                      | <b>25.29</b>                   | <b>1,02,268.94</b> |
| <b>Total comprehensive income for the year ended 31 March 2023</b> |                      |                    |                  |                            |                                    |                                |                    |
| Profit for the year  | 13,009.84            | -                  | -                | -                          | -                                  | -                              | 13,009.84          |
| Share based payment, net of reversal (refer note 42)               | -                    | -                  | -                | -                          | (106.08)                           | -                              | (106.08)           |
| Other comprehensive income (net of tax)                            | 88.69                | -                  | -                | -                          | -                                  | (0.46)                         | 88.23              |
| <b>Total comprehensive income</b>                                  | <b>13,098.53</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>                   | <b>(106.08)</b>                    | <b>(0.46)</b>                  | <b>12,991.99</b>   |
| Transfer to general reserve  | (1,000.00)           | -                  | 1000.00          | -                          | -                                  | -                              | -                  |
| Transactions with owners- Dividend                                 | (4,888.33)           | -                  | -                | -                          | -                                  | -                              | (4888.33)          |
| Share options exercised  | -                    | 400.93             | -                | -                          | (111.29)                           | -                              | 289.64             |
| <b>Balance at 31 March 2023</b>                                    | <b>64,895.40</b>     | <b>1,593.43</b>    | <b>44,100.00</b> | <b>35.00</b>               | <b>13.58</b>                       | <b>24.83</b>                   | <b>1,10,662.24</b> |
| <b>Balance at 01 April 2023</b>                                    | <b>64,895.40</b>     | <b>1,593.43</b>    | <b>44,100.00</b> | <b>35.00</b>               | <b>13.58</b>                       | <b>24.83</b>                   | <b>1,10,662.24</b> |
| <b>Total comprehensive income for the year ended 31 March 2024</b> |                      |                    |                  |                            |                                    |                                |                    |
| Profit for the year  | 10,297.67            | -                  | -                | -                          | -                                  | -                              | 10,297.67          |
| Share based payment, net of reversal (refer note 42)               | -                    | -                  | -                | -                          | 348.04                             | -                              | 348.04             |
| Other comprehensive income (net of tax)                            | (13.86)              | -                  | -                | -                          | -                                  | 0.05                           | (13.81)            |
| <b>Total comprehensive income</b>                                  | <b>10,283.81</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>                   | <b>348.04</b>                      | <b>0.05</b>                    | <b>10,631.90</b>   |
| Transactions with owners- Dividend                                 | (3015.52)            | -                  | -                | -                          | -                                  | -                              | (3,015.52)         |
| Share options exercised  | -                    | 56.53              | -                | -                          | (15.70)                            | -                              | 40.83              |
| <b>Balance at 31 March 2024</b>                                    | <b>72,163.69</b>     | <b>1,649.96</b>    | <b>44,100.00</b> | <b>35.00</b>               | <b>345.92</b>                      | <b>24.88</b>                   | <b>1,18,319.45</b> |

As per our Report of even date attached  
for **B S R and Co**  
Chartered Accountants  
ICAI Firm Registration Number: 128510W

for and on behalf of the Board of Directors of **HIL Limited**  
CIN No.: L74999TG1955PLC000656

**Sulabh Kumar Kedia**  
Partner  
Membership No.: 066380  
Place: New Delhi  
Date: 07 May 2024

**CK Birla**  
Chairman  
DIN: 00118473  
Place: New Delhi

**Akshat Seth**  
Managing Director and  
Chief Executive Officer  
DIN: 10039820  
Place: New Delhi

**Ajay Kapadia**  
Chief Financial Officer  
Membership No.: 108447  
Place: New Delhi  
Date: 07 May 2024

**Nidhi Bisaria**  
Company Secretary  
Membership No.: F5634  
Place: New Delhi

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 1 Corporate information

HIL Limited (the "Company") is a Company domiciled in India, with its registered office situated at Level 7, SLN Terminus, Gachibowli, Hyderabad - 500032, Telangana. The Company has been incorporated as a public limited company under the provisions of Companies Act, 1956 and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited in India.

The Company operations are broadly classified into Roofing Solutions, Building Solutions, Polymer Solutions and Others.

Roofing Solutions consists of manufacturing, selling and distribution of Fiber Cement Sheets, Colored Steel Sheets and Cement based Non-Asbestos Corrugated Sheets with manufacturing facilities located at Faridabad, Jasidih, Kondapalli, Wada, Sathariya and Balasore.

Building Solution broadly classifies into Wet-Walling Solutions and Dry-Walling Solutions, which includes manufacturing and distribution of Fly Ash Blocks, Smart Fix, Smart Bond, Panels and Boards with manufacturing facilities located at Hyderabad, Thimmapur, Faridabad, Chennai, Golan, Jhajjar, Balasore and Cuttack.

Polymer Solutions consists of UpVC, CpVC, SWR Pipes & Fittings and Wall Putty with manufacturing facilities located at Faridabad, Thimmapur, Golan and Jhajjar. It includes the trading of Construction Chemicals consisting of Ready-mix Plasters, Primers, Block Joining Mortars and Tile Adhesives.

Others includes Material Handling and Processing Plant and Equipment with manufacturing facilities at Hyderabad, and revenue generated through Wind Turbine Generators situated in Gujarat, Tamil Nadu and Rajasthan.

## 2 Basis of preparation

### A. Statement of compliance

- a) These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, notified under Section 133 of the Companies Act, 2013 ("the Act"), and other relevant provision of the Act under the historical cost convention on an accrual basis and going concern except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

- b) The standalone financial statements were authorised for issue by the Company's Board of Directors on 07 May 2024.
- c) Details of the Company's accounting policies are included in note 3.

### B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts presented in Indian Rupees have been rounded-off to two decimal places to the nearest lacs except share data or as otherwise stated.

### C. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

| Items   | Measurement basis   |
|---|---|
| - Certain financial assets and liabilities (including derivative instruments)     | Fair value  |
| - Net defined benefit (asset)/ liability  | Fair value of plan assets less present value of defined benefit obligations   |
| - Net identifiable assets, goodwill and other intangibles on business acquisition | Fair value (see note 33C)   |
| - Leases  | Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. Right-to-use asset has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 2 Basis of preparation (Contd.)

### C. Basis of measurement (Contd..)

| Items                              | Measurement basis   |
|------------------------------------|---|
|                                    | Practical expedient on transition to exclude initial direct costs from ROU asset measurement is considered.                                       |
| - Non-current assets held for sale | The assets classified as held for sale are measured at lower of carrying amounts and fair value less costs to sell at the time of classification. |

### D. Use of estimates and judgment

In preparing these standalone financial statements, Management has made judgements, estimates and assumptions that affect the application of Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 50 – leases: whether an arrangement contains a lease;
- Note 50 – lease classification.

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 06 – impairment test of goodwill: key assumptions used in discounted cash flow projection;
- Note 11 – impairment test of other assets;
- Note 11 – determining the fair value less costs to sell off the non-current assets held for sale on the basis of significant observable inputs;

- Note 21 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 33 – fair value consideration transferred on business acquisition and fair value of net identifiable assets on acquisition date;
- Note 36 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 10 – impairment of financial assets.

### E. Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 05 – investment property;
- Note 11 – non-current assets held for sale;
- Note 42 – share based payment arrangements;
- Note 55 – financial instruments;
- Note 33 – business acquisition.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 2 Basis of preparation (Contd.)

### F. Current/ Non-current classification

Based on the time involved between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

## 3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these standalone financial statements unless otherwise indicated.

### a. Foreign currency transactions

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

- foreign currency monetary items are translated in the functional currency at the exchange rate at the reporting date.
- non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.
- non-monetary assets and liabilities denominated in a foreign currency that are measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.
- exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the following items which are recognised in other comprehensive income (OCI)
- An investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

### b. Financial instruments

#### i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets

and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

At the time of initial recognition, these financial assets (unless it is a trade receivable without a significant financing component) or financial liabilities are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. A trade receivable without a significant financing component is initially measured at transaction price.

#### ii. Classification and subsequent measurement

##### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets in which case all affected financial assets are re-classified on first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### b. Financial instruments (Contd.)

#### ii. Classification and subsequent measurement (Contd.)

##### Financial assets (Contd.)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### Subsequent measurement and gains and losses

|                                    |  |
|------------------------------------|--|
| Financial assets at FVTPL          | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.   |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |
| Equity investments at FVOCI        | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.                         |

##### Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is

designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Contract liabilities against payment have been considered as other financial liabilities. Any gain or loss on derecognition is also recognised in profit or loss.

#### iii. Derecognition

##### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

##### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

#### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### b. Financial instruments (Contd.)

#### iv. Offsetting (Contd.)

Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### v. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised immediately in the profit or loss and are included in other income or expenses.

### c. Property, plant and equipment and capital work-in-progress

#### i. Recognition and measurement

##### Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment including capital work-in-progress are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates), including import duties and non-refundable purchase taxes if any, all costs directly attributable to bringing the item to its working condition, for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Freehold land is carried at historical cost less any accumulated impairment losses.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs

directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The cost property, plant and equipment as at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to the carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

#### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are depreciated over the period of the lease.

The estimated useful lives of items of property, plant and equipment are estimated by the management, which are equal to the life prescribed under the Schedule II of the Act, except for following assets mentioned below which are based on technical evaluation and past experience:

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### c. Property, plant and equipment and capital work-in-progress (Contd.)

#### iii. Depreciation (Contd.)

Plant and machinery: 19 years for continuous processing plants (CPP) as against 15 years

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

Wind power generation plant: 25 years as against 22 years

The estimated useful lives of items of property, plant and equipment acquired in business combination (see note 33) have been considered at the remaining useful life on acquisition date (as per books of account of the acquiree).

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions / (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use / (disposed off).

### d. Goodwill and other intangible assets

#### i. Recognition and measurement

##### Goodwill

Acquisition method as per Ind AS 103 'Business Combinations' is used for valuation of goodwill arising on business acquisition see note 3(v). Subsequent to initial recognition, goodwill is measured at cost, less accumulated impairment losses (see note 3(g) (ii)), if any.

##### Service concession arrangements

The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is

regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses, if any.

#### Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost (see note 3 (v)). The cost of intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset is measured reliably. Following initial recognition, other intangible assets, including those acquired by the Company in a business combination and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

#### iii. Amortisation

Goodwill and other intangible assets with indefinite lives are not subject to amortisation as per Ind AS 103 and is tested for impairment annually, or more frequently when there is an indication that the value of cash-generating unit to which these assets have been allocated, may be impaired.

For other intangible assets, amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in profit or loss.

The estimated useful lives are as follows:

| Asset                            | Years |
|----------------------------------|-------|
| - Service concession arrangement | 25    |
| - Computer software              | 5     |
| - Brand                          | 5     |
| - Non-compete                    | 5     |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### d. Goodwill and other intangible assets (Contd.)

#### iii. Amortisation (Contd.)

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Company is able to charge the public for the use of the infrastructure to the end of the concession period.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

#### iv. Transition to Ind AS

The cost of Intangible assets as at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to the carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

### e. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

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

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

Investment property is derecognised either when it has been disposed off or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the profit or loss.

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

### f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads on normal operating capacity. In the case of raw materials and stock-in-trade, cost comprises of cost of purchase.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

### g. Impairment

#### i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### g. Impairment (Contd.)

#### i. Impairment of financial instruments (Contd.)

amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables, loans, contract assets are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and

qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

#### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, investment property are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### g. Impairment (Contd.)

#### ii. Impairment of non-financial assets (Contd.)

is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. They are allocated first to reduce the carrying value of goodwill allocated to the CGU and then to reduce the carrying amount of other assets in the CGU or prorata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

### h. Employee benefits

#### i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ii. Share-based payment arrangements

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in 'Share options outstanding account' reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. In case of cancellation of options granted before the completion of vesting period the cost is reversed in the statement of profit and loss.

#### iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

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

#### iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### h. Employee benefits (Contd.)

#### iv. Defined benefit plans (Contd.)

The Company accounts for gratuity liability of its employees including contract workers on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Discount rate is determined by reference to market yields government bonds, at the end of the reporting period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### v. Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve

months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. Such entitlement is discounted to determine its present value. The obligation is measured semi-annually by a qualified actuary on the basis of actuarial valuation using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

#### vi. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

### i. Revenue from contract with customers

The Company generates revenue from its ordinary activities i.e., from sale of goods and services. A contract in this context shall fulfill all of the following conditions:

- Both the parties to the contract agree on the contract terms.
- Performance obligations of each of the parties is identifiable and there exists a commitment to perform their respective obligations; and
- The commercial substance or the purchase consideration is measurable and the collectability is probable.

#### Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by the nature of sale i.e. manufactured and traded goods, solutions i.e. roofing solutions, building solutions, polymer solutions and others and geographic market. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### i. Revenue from contract with customers (Contd.)

#### *Contract balances*

The Company classifies the right to consideration in exchange for sale of goods as trade receivables, advance consideration as contract liability against payment and unredeemable customer loyalty points as contract liability against performance obligation.

#### *Performance obligations and revenue recognition policies*

Revenue is measured based on the consideration adjusted with discounts and incentives, if any, as specified in the contracts with customers. Revenue is recognised to the extent of fulfillment of each of the performance obligations to the contract. The Company recognises revenue when it transfers control over the goods or services to the customers. The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies.

#### *a. Sale of products*

- (i) Nature and timing of satisfaction of performance obligations, including significant payment terms: The timing of transfer of control is driven by the individual terms of contracts. Invoices are usually payable within agreed credit terms. For customer loyalty programme refer note (b) below.
- (ii) Revenue is recognised when a customer obtains control of the goods which is driven by the individual terms of contracts. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

#### *b. Customer loyalty programmes*

- (i) Nature and timing of satisfaction of performance obligations including significant payment terms: Customers who purchases products may enter into Company's customer loyalty programme and earn credits. These credits are redeemed against the awards as per the terms of the programme.

- (ii) The Company allocates a portion of the consideration received to loyalty credits. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liability against performance obligation.

#### *c. Sale of services*

Revenue from sale of services is recognised when it is measurable and it is probable that future economic benefits will flow to the entity in accordance with tariff provided in power purchase agreement.

#### *d. Rental income*

Rental income from investment property is recognised as part of other income in the Statement of profit or loss on a straight-line basis over the term of the lease.

### j. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### k. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis.

### l. Leases

#### i. Leases as lessee

As a lessee, the Company recognises right-of-use assets and lease liabilities for most leases - i.e. these leases are on-balance sheet. The Company decided to apply recognition exemptions to short-term leases.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease

term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right of use asset reflects that the Company will exercise the purchase option. In that case, estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset lease. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee
- The exercise price under a purchase option that the Company is reasonably

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### I. Leases (Contd.)

#### i. Leases as lessee (Contd.)

certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

#### *Short-term leases and leases of low-value assets*

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with the leases as an expense in the profit and loss on a straight line basis over lease term.

The Company presents right-of-use assets that do not meet the definition of Investment Property in 'Property, plant and equipment' and lease liabilities in 'Financial liabilities' in the Balance sheet.

#### ii. Leases as lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the

underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

### m. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or item recognised directly in equity or in other comprehensive income. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for

(a) temporary differences arising on the initial recognition of assets or liabilities in a transaction that:

- is not a business combination and

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### m. Income-tax (Contd.)

- at the time of transaction (i) that affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary difference.

- (b) temporary taxable differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current

tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### n. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### o. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

#### *Onerous contracts*

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract which is determined based on the incremental cost of fulfilling the obligation under the contract and an allocation of other cost directly related to fulfilling the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

#### *Contingent liabilities and contingent assets*

A contingent liability is a possible obligation that arises from past events, the occurrence or non-occurrence of which is dependent on the

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### o. Provision, contingent liabilities and contingent assets (Contd.)

happening of one or more uncertain future events not wholly within the control of the entity; or a present obligation arising from past events with no probability of future outflow of economic benefits or the outflow cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are recognised in the period in which it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date.

### p. Earnings per share ("EPS")

Basic earnings per share is computed by dividing the net profit (or loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

### q. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of a non-cash nature

and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

### r. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### s. Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated. These assets are classified separately from the other assets / liabilities in the balance sheet.

### t. Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

### u. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 3 Material accounting policies (Contd.)

### v. Business Combinations

In accordance with Ind AS 103, Business Combination, the Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see note 3(g) (ii)). Any gain on a bargain purchase is recognised in other comprehensive income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

### w. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new standards or

amendments to the existing standards applicable to the Company.

### x. Changes in material accounting policies

#### a. Deferred tax related to assets and liabilities arising from a single transaction

The Company has adopted Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IndAS 12) from 1 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting differences (e.g. leases). For leases, the Company is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as adjustment to retained earnings or other components of equity at that date.

The Company previously accounted for deferred tax on leases by applying 'inter linked' approach, resulting in similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Company has recognised separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-to-use assets as at 1 April 2023 and thereafter. However, there was no impact on the balance sheet because the balances qualify for offset under paragraph 74 of Ind AS 12. There was also no impact on the opening retained earnings as at 1 April 2023 as a result of the change.

#### b. Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity - specific accounting policy information that users needs to understand the other information in the financial statements.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 4. Property, plant and equipment

| Particulars   | Freehold land<br>(refer note (a)<br>below) | Leasehold<br>land | Buildings        | Railway<br>sidings | Plant and<br>equipment<br>(refer note<br>(b) below) | Furniture<br>and fittings | Office<br>equipment | Vehicles      | Right of<br>use assets<br>(refer note<br>(e) below) | Total            | Capital work-<br>in-progress<br>(refer note (f)<br>below) |
|---|--|-------------------|------------------|--------------------|---|---------------------------|---------------------|---------------|---|------------------|---|
| <b>A. Cost or Deemed cost (Gross carrying amount)</b>                     |  |                   |                  |                    |   |                           |                     |               |   |                  |   |
| As at 01 April 2022   | 2,471.64                                   | 75.43             | 17,713.86        | 0.63               | 53,775.84   | 779.20                    | 610.82              | 232.64        | 2,454.09  | 78,114.15        | 1,949.81  |
| Additions   | 67.79                                      | -                 | 1,221.88         | -                  | 8,465.21  | 64.26                     | 61.27               | 37.53         | 374.77  | 10,292.71        | 10,903.10   |
| Disposals   | -  | -                 | (17.04)          | -                  | (640.68)  | (33.00)                   | (26.35)             | (0.57)        | (122.12)  | (839.76)         | -   |
| Transfers to Property, plant and equipment                                | -  | -                 | -                | -                  | -   | -                         | -                   | -             | -   | -                | (9,947.53)  |
| Reclassification from non-current assets held for sale<br>(refer note 11) | -  | -                 | -                | -                  | 13.34   | -                         | -                   | -             | -   | 13.34            | -   |
| Acquisitions through business combination                                 | 880.19                                     | -                 | 742.81           | -                  | 1,041.22  | 2.00                      | 6.00                | 1.00          | -   | 2,673.22         | -   |
| (refer note 33)   |  |                   |                  |                    |   |                           |                     |               |   |                  |   |
| Reclassification to non-current assets held for sale<br>(refer note 11)   | (1.03)                                     | -                 | (78.36)          | -                  | -   | -                         | -                   | -             | -   | (79.39)          | -   |
| <b>As at 31 March 2023</b>  | <b>3,418.59</b>                            | <b>75.43</b>      | <b>19,583.15</b> | <b>0.63</b>        | <b>62,654.93</b>                                    | <b>812.46</b>             | <b>651.74</b>       | <b>270.60</b> | <b>2,706.74</b>                                     | <b>90,174.27</b> | <b>2,905.38</b>   |
| Additions   | -  | -                 | 1375.02          | -                  | 5,348.29  | 24.04                     | 75.06               | 40.52         | 37.18   | 6,900.11         | 7,584.42  |
| Disposals   | -  | -                 | (13.36)          | -                  | (335.58)  | (6.30)                    | (6.96)              | (12.11)       | (29.44)   | (403.75)         | -   |
| Transfers to Property, plant and equipment                                | -  | -                 | -                | -                  | -   | -                         | -                   | -             | -   | -                | (6,862.93)  |
| <b>As at 31 March 2024</b>  | <b>3,418.59</b>                            | <b>75.43</b>      | <b>20,944.81</b> | <b>0.63</b>        | <b>67,667.64</b>                                    | <b>830.20</b>             | <b>719.84</b>       | <b>299.01</b> | <b>2,714.48</b>                                     | <b>96,670.63</b> | <b>3,626.87</b>   |
| <b>B. Accumulated depreciation</b>  |  |                   |                  |                    |   |                           |                     |               |   |                  |   |
| As at 01 April 2022   | -  | 75.43             | 3,436.77         | 0.51               | 18,711.36   | 379.13                    | 385.35              | 116.83        | 334.22  | 23,439.60        | -   |
| For the year ended 31 March 2023  | -  | -                 | 711.14           | -                  | 4,181.52  | 86.68                     | 84.63               | 26.64         | 291.56  | 5,382.17         | -   |
| Disposals   | -  | -                 | (3.22)           | -                  | (462.94)  | (4.80)                    | (25.79)             | (0.44)        | (94.17)   | (591.36)         | -   |
| Reclassification from non-current assets held for sale                    | -  | -                 | -                | -                  | 13.20   | -                         | -                   | -             | -   | 13.20            | -   |
| Reclassification to non-current assets held for sale                      | -  | -                 | (42.97)          | -                  | -   | -                         | -                   | -             | -   | (42.97)          | -   |
| <b>As at 31 March 2023</b>  | <b>-</b>                                   | <b>75.43</b>      | <b>4,101.72</b>  | <b>0.51</b>        | <b>22,443.14</b>                                    | <b>461.01</b>             | <b>444.19</b>       | <b>143.03</b> | <b>531.61</b>                                       | <b>28,200.64</b> | <b>-</b>  |
| For the year ended 31 March 2024  | -  | -                 | 775.17           | -                  | 5,010.16  | 84.59                     | 87.83               | 34.05         | 308.17  | 6,299.97         | -   |
| Disposals   | -  | -                 | (8.91)           | -                  | (223.91)  | (5.29)                    | (6.72)              | (10.61)       | (29.44)   | (284.88)         | -   |
| <b>As at 31 March 2024</b>  | <b>-</b>                                   | <b>75.43</b>      | <b>4,867.98</b>  | <b>0.51</b>        | <b>27,229.39</b>                                    | <b>540.31</b>             | <b>525.30</b>       | <b>166.47</b> | <b>810.34</b>                                       | <b>34,215.73</b> | <b>-</b>  |
| <b>C. Net carrying amounts (A-B)</b>                                      |  |                   |                  |                    |   |                           |                     |               |   |                  |   |
| <b>As at 31 March 2023</b>  | <b>3,418.59</b>                            | <b>-</b>          | <b>15,481.43</b> | <b>0.12</b>        | <b>40,211.79</b>                                    | <b>351.45</b>             | <b>207.55</b>       | <b>127.57</b> | <b>2,175.13</b>                                     | <b>61,973.63</b> | <b>2,905.38</b>   |
| <b>As at 31 March 2024</b>  | <b>3,418.59</b>                            | <b>-</b>          | <b>16,076.83</b> | <b>0.12</b>        | <b>40,438.25</b>                                    | <b>289.89</b>             | <b>194.54</b>       | <b>132.54</b> | <b>1,904.14</b>                                     | <b>62,454.90</b> | <b>3,626.87</b>   |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 4. Property, plant and equipment (Contd.)

### Note:

- a) Title deeds of immovable properties not held in the name of the Company:

| Description of item of property                           | Gross carrying value | Title deeds held in the name of  | Whether title deed holder is a promoter, director or their relative or their employee | Property held since which date | Reason for not being held in the name of the Company  |
|---|----------------------|--|---|--------------------------------|---|
| Freehold Land as at 31 March 2024 and as at 31 March 2023 | 1.27                 | Faridabad Complex Administration (now known as Municipal Corporation of Faridabad) | No  | 1964                           | Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad. |

- b) Refer note 46 for details of assets purchased for Research and Development.
- c) Refer note 17 for details of assets pledged against borrowings.
- d) The Company has not revalued any property, plant and equipment after initial recognition, during the year ended 31 March 2024 and 31 March 2023.
- e) Right of use assets comprise of the following assets:

| Particulars   | Buildings     | Land            | Vehicles     | Total           |
|---|---------------|-----------------|--------------|-----------------|
| <b>A. Cost or Deemed cost (Gross carrying amount)</b> |               |                 |              |                 |
| As at 01 April 2022                                   | 552.42        | 1,805.99        | 95.68        | 2,454.09        |
| Additions   | 360.14        | 14.63           | -            | 374.77          |
| Disposals   | (55.88)       | -               | (66.24)      | (122.12)        |
| <b>As at 31 March 2023</b>                            | <b>856.68</b> | <b>1,820.62</b> | <b>29.44</b> | <b>2,706.74</b> |
| Additions   | 37.18         | -               | -            | 37.18           |
| Disposals   | -             | -               | (29.44)      | (29.44)         |
| <b>As at 31 March 2024</b>                            | <b>893.86</b> | <b>1,820.62</b> | <b>-</b>     | <b>2,714.48</b> |
| <b>B. Accumulated depreciation</b>                    |               |                 |              |                 |
| As at 01 April 2022                                   | 193.99        | 62.00           | 78.23        | 334.22          |
| For the year ended 31 March 2023                      | 243.39        | 34.11           | 14.06        | 291.56          |
| Disposals   | (27.94)       | -               | (66.23)      | (94.17)         |
| <b>As at 31 March 2023</b>                            | <b>409.44</b> | <b>96.11</b>    | <b>26.06</b> | <b>531.61</b>   |
| For the year ended 31 March 2024                      | 269.86        | 34.93           | 3.38         | 308.17          |
| Disposals   | -             | -               | (29.44)      | (29.44)         |
| <b>As at 31 March 2024</b>                            | <b>679.30</b> | <b>131.04</b>   | <b>-</b>     | <b>810.34</b>   |
| <b>C. Net carrying amounts (A-B)</b>                  |               |                 |              |                 |
| <b>As at 31 March 2023</b>                            | <b>447.24</b> | <b>1,724.51</b> | <b>3.38</b>  | <b>2,175.13</b> |
| <b>As at 31 March 2024</b>                            | <b>214.56</b> | <b>1,689.58</b> | <b>-</b>     | <b>1,904.14</b> |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 4. Property, plant and equipment (Contd.)

f) Ageing details of capital work-in-progress (CWIP) is as below\*

| Particulars                    | Amount in CWIP for a period of |               |           |                   | Total           |
|--------------------------------|--------------------------------|---------------|-----------|-------------------|-----------------|
|                                | Less than 1 year               | 1-2 years     | 2-3 years | More than 3 years |                 |
| Projects in progress           | 3,049.45                       | 577.42        | -         | -                 | 3,626.87        |
| Projects temporarily suspended | -                              | -             | -         | -                 | -               |
| <b>As at 31 March 2024</b>     | <b>3,049.45</b>                | <b>577.42</b> | <b>-</b>  | <b>-</b>          | <b>3,626.87</b> |
| Projects in progress           | 2,804.70                       | 100.68        | -         | -                 | 2,905.38        |
| Projects temporarily suspended | -                              | -             | -         | -                 | -               |
| <b>As at 31 March 2023</b>     | <b>2,804.70</b>                | <b>100.68</b> | <b>-</b>  | <b>-</b>          | <b>2,905.38</b> |

\*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

| CWIP Projects in progress       | To be completed in |           |           |                   | Total         |
|---------------------------------|--------------------|-----------|-----------|-------------------|---------------|
|                                 | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |               |
| Balasore FOB plant              | 123.36             | -         | -         | -                 | 123.36        |
| <b>As at 31 March 2024</b>      | <b>123.36</b>      | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>123.36</b> |
| Timmapur Panel plant automation | 201.26             | -         | -         | -                 | 201.26        |
| Balasore FOB plant              | 125.62             | -         | -         | -                 | 125.62        |
| Balasore panel plant            | 125.74             | -         | -         | -                 | 125.74        |
| Others                          | 194.03             | -         | -         | -                 | 194.03        |
| <b>As at 31 March 2023</b>      | <b>646.65</b>      | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>646.65</b> |

No projects have been temporarily suspended as at 31 March 2024 and 31 March 2023.

## 5. Investment property

### A. Reconciliation of carrying amount

| Particulars  | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| <b>Cost or Deemed cost (Gross carrying amount) (a)</b> |                     |                     |
| Opening balance  | 2,204.89            | 2,204.89            |
| Disposals  | -                   | -                   |
| <b>Closing balance</b>                                 | <b>2,204.89</b>     | <b>2,204.89</b>     |
| <b>Accumulated depreciation (b)</b>                    |                     |                     |
| Opening balance  | 263.17              | 232.80              |
| Depreciation for the year                              | 30.37               | 30.37               |
| <b>Closing balance</b>                                 | <b>293.54</b>       | <b>263.17</b>       |
| <b>Net carrying amounts (a-b)</b>                      | <b>1,911.35</b>     | <b>1,941.72</b>     |
| <b>Fair value</b>                                      | <b>7,570.00</b>     | <b>7,594.50</b>     |

### B. Amounts recognised in profit or loss:

| Particulars   | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|----------------------------------|----------------------------------|
| Rental income derived from investment properties (refer note 24)                    | 559.98                           | 497.63                           |
| Direct operating expenses (including repairs and maintenance)                       | -                                | -                                |
| Profit arising from investment properties before depreciation and indirect expenses | 559.98                           | 497.63                           |
| Less: Depreciation  | 30.37                            | 30.37                            |
| Profit arising from investment properties before indirect expenses                  | 529.61                           | 467.26                           |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 5. Investment property (Contd.)

### C. Measurement of fair values

#### (i) Fair valuation hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuer is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used (see note 2(E)).

#### (ii) Valuation technique

Discounted cash flows method and Market comparable method have been used for valuation. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants, if any. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

### D. Investment property comprises of the following:

- (i) The Company along with other co-owners, has developed a plot of land at 25 Barakhamba Road, New Delhi, where the Company's share is 15%. The registration of the said plot of the value of INR 427.60 lacs (31 March 2023: INR 427.60 lacs) in the name of the Company is pending. Refer details below:

Title deeds not held in the name of the Company:

| Description of item of property            | Gross carrying value | Title deeds held in the name of                    | Whether title deed holder is a promoter, director or their relative or their employee | Property held since which date | Reason for not being held in the name of the Company                            |
|--|----------------------|--|---|--------------------------------|---|
| Land as at 31 March 2024 and 31 March 2023 | 427.60               | The Embassy of Union of Soviet Socialist Republics | No  | 1,989                          | The process of transfer of property in the name of the Company, is in progress. |

- (ii) The Company has given the investment properties located in New Delhi and Hyderabad on operating lease to some parties. Certain lease agreements are cancellable and some are non-cancellable in nature. There are no contingent rents in the lease agreements. The lease terms are mainly for 3 to 5 years and are renewable at the option of the lessee. There are no restrictions imposed by lease agreements on realisability of the investment property. Although there are sub-lease rights given to the lessees, there are no sub-leases as on the reporting date.

### E. Refer note 44 for details of minimum lease receipts.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 6. Goodwill and Other intangible assets

| Particulars   | Other intangible assets |           |        |                 |                                 |          | Intangible assets under development (refer note (a) below) |
|---|-------------------------|-----------|--------|-----------------|---------------------------------|----------|--|
|   | Goodwill                | Softwares | Brand  | Non-compete fee | Service concession arrangements | Total    |  |
| Reconciliation of carrying amount                         |                         |           |        |                 |                                 |          |  |
| A. Cost or Deemed cost (Gross carrying amount)            |                         |           |        |                 |                                 |          |  |
| As at 01 April 2022                                       | -                       | 1,485.36  | -      | -               | 1,997.94                        | 3,483.30 | 251.73   |
| Acquisitions through business combination (refer note 33) | 747.25                  | -         | 157.76 | 27.35           | -                               | 185.11   | -  |
| Additions   | -                       | 442.05    | -      | -               | -                               | 442.05   | 356.43   |
| Disposals   | -                       | (71.63)   | -      | -               | -                               | (71.63)  | -  |
| Transfers to Intangible assets                            | -                       | -         | -      | -               | -                               | -        | (442.05)   |
| As at 31 March 2023                                       | 747.25                  | 1,855.78  | 157.76 | 27.35           | 1,997.94                        | 4,038.83 | 166.11   |
| Additions   | -                       | 311.87    | -      | -               | -                               | 311.87   | 664.27   |
| Disposals   | -                       | -         | -      | -               | -                               | -        | -  |
| Transfers to Intangible assets                            | -                       | -         | -      | -               | -                               | -        | (311.87)   |
| As at 31 March 2024                                       | 747.25                  | 2,167.65  | 157.76 | 27.35           | 1,997.94                        | 4,350.70 | 518.51   |
| B. Accumulated amortisation                               |                         |           |        |                 |                                 |          |  |
| As at 01 April 2022                                       | -                       | 796.45    | -      | -               | 551.87                          | 1,348.32 | -  |
| Amortisation for the year                                 | -                       | 282.33    | 19.62  | 3.40            | 87.64                           | 392.99   | -  |
| Disposals   | -                       | (36.83)   | -      | -               | -                               | (36.83)  | -  |
| As at 31 March 2023                                       | -                       | 1041.95   | 19.62  | 3.40            | 639.51                          | 1,704.48 | -  |
| Amortisation for the year                                 | -                       | 340.59    | 31.55  | 5.47            | 87.64                           | 465.25   | -  |
| Disposals   | -                       | -         | -      | -               | -                               | -        | -  |
| As at 31 March 2024                                       | -                       | 1382.54   | 51.17  | 8.87            | 727.15                          | 2,169.73 | -  |
| C. Net carrying amounts (A-B)                             |                         |           |        |                 |                                 |          |  |
| As at 31 March 2023                                       | 747.25                  | 813.83    | 138.14 | 23.95           | 1358.43                         | 2,334.35 | 166.11   |
| As at 31 March 2024                                       | 747.25                  | 785.11    | 106.59 | 18.48           | 1270.79                         | 2,180.97 | 518.51   |

### Notes:

(a) Ageing details of intangible assets under development (IAUD) is as below\*

| Particulars                    | For intangible assets under development for a period of |              |              |                   | Total         |
|--------------------------------|---|--------------|--------------|-------------------|---------------|
|                                | Less than 1 year  | 1-2 years    | 2-3 years    | More than 3 years |               |
| Projects in progress           | 425.49  | 87.35        | 5.67         | -                 | 518.51        |
| Projects temporarily suspended | -   | -            | -            | -                 | -             |
| <b>As at 31 March 2024</b>     | <b>425.49</b>   | <b>87.35</b> | <b>5.67</b>  | <b>-</b>          | <b>518.51</b> |
| Projects in progress           | 60.43   | 56.79        | 48.89        | -                 | 166.11        |
| Projects temporarily suspended | -   | -            | -            | -                 | -             |
| <b>As at 31 March 2023</b>     | <b>60.43</b>  | <b>56.79</b> | <b>48.89</b> | <b>-</b>          | <b>166.11</b> |

\*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 6. Goodwill and Other intangible assets (Contd.)

| Particulars                | IAUD to be completed in |           |           |                   | Total         |
|----------------------------|-------------------------|-----------|-----------|-------------------|---------------|
|                            | Less than 1 year        | 1-2 years | 2-3 years | More than 3 years |               |
| Others                     | 44.88                   |           | -         | -                 | 44.88         |
| <b>As at 31 March 2024</b> | <b>44.88</b>            |           | -         | -                 | <b>44.88</b>  |
| Others                     | 139.36                  |           | -         | -                 | 139.36        |
| <b>As at 31 March 2023</b> | <b>139.36</b>           |           | -         | -                 | <b>139.36</b> |

No projects have been temporarily suspended as at 31 March 2024 and 31 March 2023.

- (b) The Company has not revalued any intangible assets after initial recognition, during the year ended 31 March 2024 and 31 March 2023.

### (c) Impairment

See accounting policy in note 3(g).

#### *Impairment testing for cash generating unit containing goodwill*

For the purpose of impairment testing, goodwill is allocated to the Company's operating division which represents the lowest level within the Company at which goodwill is monitored for internal management purposes, not higher than the Company's operating segment. The goodwill acquired through business combination has been allocated to CGU "Cuttack unit" which is part of the Building Solutions segment of the Company (refer note 33 for details). The carrying amount of goodwill as at 31 March 2024 is INR 747.25 lacs.

Following key assumptions were considered for goodwill valuation :

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Budgeted annual growth rate for 5 years (Average)  | 17.62%                 | 15.00%                 |
| Terminal value growth rate                         | 3.00%                  | 3.00%                  |
| Budgeted EBITDA margins for 5 years (Average)      | 9.00% to 20.00%        | 11.60% to 16.01%       |
| Weighted average cost of capital % (WACC) post tax | 15.10%                 | 14.90%                 |

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) =  $(We \times Re) + (Wd \times Rd)$

$Re$  = Risk free return + (market premium x beta for the Company) + additional risk premium.

$Rd$  = Cost of debt  $\times$  (1-tax rate)

$We, Wd$  = Average debt to capital ratio

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value. Accordingly, no impairment charges were recognised for the year ended 31 March 2024 and 31 March 2023.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 7 Investments

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>Non-current</b>   |                        |                        |
| <b>Interest in subsidiary</b>  |                        |                        |
| <b>Investment in equity instruments - unquoted - at cost less provision for other than temporary impairment*</b>   |                        |                        |
| HIL International GmbH, Germany : 34025000 equity shares of Euro 1 each fully paid (refer note 54)<br>(31 March 2023 : 34025000 equity shares of Euro 1 each fully paid)     | 27,346.24              | 27,346.24              |
|  | <b>27,346.24</b>       | <b>27,346.24</b>       |
| Refer note 53(a) for details of subsidiary.  |                        |                        |
| <b>Interest in joint venture</b>   |                        |                        |
| <b>Investment in equity instruments - unquoted - at cost less provision for other than temporary impairment</b>  |                        |                        |
| Supercor Industries Limited, Nigeria: 4125000 equity shares of Naira 1 each fully paid (refer note 54)<br>(31 March 2023 : 4125000 equity shares of Naira 1 each fully paid) | 142.60                 | 142.60                 |
| Less: Provision for investment in joint venture  | (142.60)               | (142.60)               |
|  | -                      | -                      |
| Refer note 53(b) for details of joint venture.   |                        |                        |
| <b>Investment in equity instruments - unquoted at FVOCI (refer note (a) below)</b>   |                        |                        |
| Birla Buildings Limited - 5000 equity shares of INR 10 each fully paid<br>(31 March 2023 : 5000 equity shares of INR 10 each fully paid)                                     | 33.73                  | 33.66                  |
|  | <b>33.73</b>           | <b>33.66</b>           |
|  | <b>27,379.97</b>       | <b>27,379.90</b>       |
| Aggregate amount of unquoted non-current investments   | 27,522.57              | 27,522.50              |
| Aggregate amount of provision for impairment in value of non-current investments   | 142.60                 | 142.60                 |

### \*Impairment testing for investments held in subsidiary

Basis the indicators of impairment, the Company assesses the possible impairment in the value of its investments in its wholly owned subsidiary company (HIL International GmbH) by using discounted cash flow (DCF) method.

Following are the key assumptions were considered while performing the impairment testing during the current year:

| Particulars                                   | As at<br>31 March 2024 |
|---|------------------------|
| Annual growth rate for 5 years (Average)      | 16.31%                 |
| Terminal value growth rate                    | 0.50%                  |
| Budgeted EBITDA margins for 5 years (Average) | 7.32%                  |
| Weighted average cost of capital % (WACC)     | 13.80%                 |

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) =  $(We \cdot Re) + (Wd \cdot Rd)$

$Re$  = Risk free return + (market premium x beta for the Company) + additional risk premium.

$Rd$  = Cost of debt  $\cdot (1 - \text{tax rate})$

$We, Wd$  = Average debt to capital ratio

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the investments in subsidiaries to be less than the carrying value. No impairment charges were recognised for the year ended 31 March 2024 and 31 March 2023.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 7 Investments (Contd.)

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>Current</b>                                       |                        |                        |
| <b>Investments in mutual funds - quoted at FVTPL</b> | 10,229.38              | -                      |
|  | <b>10,229.38</b>       | <b>-</b>               |
| Aggregate book value of quoted current investments   | 10,229.38              | -                      |
| Aggregate market value of quoted current investments | 10,229.38              | -                      |

### (a) Equity shares designated as at fair value through other comprehensive income

The Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Company intends to hold long-term for strategic purposes.

| Particulars   | Investment in<br>Birla Buildings Limited |                        |
|---|--|------------------------|
|   | As at<br>31 March 2024                   | As at<br>31 March 2023 |
| Fair value at beginning of the year                                   | 33.66                                    | 34.24                  |
| Dividend income recognised during the respective year (refer note 24) | 0.25                                     | 0.38                   |
| Fair value at end of the year   | 33.73                                    | 33.66                  |

#### Non-current

No strategic investments were disposed off during the year ended 31 March 2024 and 31 March 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

The Company has not traded or invested in Crypto currency or Virtual currency during the year ended 31 March 2024 and 31 March 2023.

Refer note 55(A) and 55(C) for the Group's exposure to fair value measurement, credit risk and market risk.

## 8 Trade receivables

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>Non-current</b>   |                        |                        |
| Secured  | 22.80                  | 20.80                  |
| Unsecured  | 693.41                 | 510.04                 |
|  | <b>716.21</b>          | <b>530.84</b>          |
| Less: Provision for impairment                                 | (685.00)               | (510.04)               |
|  | <b>31.21</b>           | <b>20.80</b>           |
| <b>Current</b>   |                        |                        |
| Secured  | 1,552.85               | 1,421.61               |
| Unsecured (refer note 40 for receivables from related parties) | 12,615.47              | 10,214.73              |
|  | <b>14,168.32</b>       | <b>11,636.34</b>       |
| Less: Provision for impairment                                 | (687.28)               | (640.50)               |
|  | <b>13,481.04</b>       | <b>10,995.84</b>       |

Refer note 17 for details of trade receivables pledged against borrowings.

There are no outstanding trade receivables from directors or other officers of the Company or from firms or private companies in which director is partner or member as at 31 March 2024 and as at 31 March 2023.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 8 Trade receivables (Contd.)

| Particulars                                   | Not due         | Outstanding for following periods<br>from due date of payment |                      |               |              |                      | Total            |
|---|-----------------|---|----------------------|---------------|--------------|----------------------|------------------|
|   |                 | Less than<br>6 months   | 6 months<br>- 1 year | 1-2 years     | 2-3 years    | More than<br>3 years |                  |
| Undisputed trade receivables                  |                 |   |                      |               |              |                      |                  |
| - considered good                             | 4,687.24        | 8,667.61  | 102.55               | 16.12         | 7.52         | -                    | 13,481.04        |
| - credit impaired                             | 42.54           | 139.67  | 228.33               | 158.86        | 20.27        | 97.61                | 687.28           |
| <b>Total undisputed trade receivables (A)</b> | <b>4,729.78</b> | <b>8,807.28</b>   | <b>330.88</b>        | <b>174.98</b> | <b>27.79</b> | <b>97.61</b>         | <b>14,168.32</b> |
| Disputed trade receivables                    |                 |   |                      |               |              |                      |                  |
| - considered good                             | -               | 12.71   | 18.50                | -             | -            | -                    | 31.21            |
| - credit impaired                             | -               | -   | 22.84                | 69.52         | 47.77        | 544.87               | 685.00           |
| <b>Total disputed trade receivables (B)</b>   | <b>-</b>        | <b>12.71</b>  | <b>41.34</b>         | <b>69.52</b>  | <b>47.77</b> | <b>544.87</b>        | <b>716.21</b>    |
| <b>As at 31 March 2024 (A+B)</b>              | <b>4,729.78</b> | <b>8,819.99</b>   | <b>372.22</b>        | <b>244.50</b> | <b>75.56</b> | <b>642.48</b>        | <b>14,884.53</b> |

| Particulars                                   | Not due         | Outstanding for following periods<br>from due date of payment |                      |               |               |                      | Total            |
|---|-----------------|---|----------------------|---------------|---------------|----------------------|------------------|
|   |                 | Less than<br>6 months   | 6 months<br>- 1 year | 1-2 years     | 2-3 years     | More than<br>3 years |                  |
| Undisputed trade receivables                  |                 |   |                      |               |               |                      |                  |
| - considered good                             | 4,424.97        | 6,464.60  | 80.21                | 26.06         | -             | -                    | 10,995.84        |
| - credit impaired                             | 13.87           | 77.48   | 61.11                | 60.03         | 69.22         | 358.79               | 640.50           |
| <b>Total undisputed trade receivables (A)</b> | <b>4,438.84</b> | <b>6,542.08</b>   | <b>141.32</b>        | <b>86.09</b>  | <b>69.22</b>  | <b>358.79</b>        | <b>11,636.34</b> |
| Disputed trade receivables                    |                 |   |                      |               |               |                      |                  |
| - considered good                             | -               | 10.01   | 10.79                | -             | -             | -                    | 20.80            |
| - credit impaired                             | -               | -   | 8.94                 | 31.16         | 98.86         | 371.08               | 510.04           |
| <b>Total disputed trade receivables (B)</b>   | <b>-</b>        | <b>10.01</b>  | <b>19.73</b>         | <b>31.16</b>  | <b>98.86</b>  | <b>371.08</b>        | <b>530.84</b>    |
| <b>As at 31 March 2023 (A+B)</b>              | <b>4,438.84</b> | <b>6,552.09</b>   | <b>161.05</b>        | <b>117.25</b> | <b>168.08</b> | <b>729.87</b>        | <b>12167.18</b>  |

There were no unbilled receivables as at 31 March 2024 and as at 31 March 2023.

Refer note 55 (C) for the Company's exposure to credit risk and market risk.

## 9 Loans

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Non-current</b>                                    |                        |                        |
| <b>Loan to subsidiary</b>                             |                        |                        |
| Unsecured, considered good (refer note 54 (b) and 40) | 12,136.08              | 8,499.34               |
|   | <b>12,136.08</b>       | <b>8,499.34</b>        |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 10 Other financial assets

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Non-current</b>  |                        |                        |
| <b>Unsecured, considered good</b>   |                        |                        |
| Security deposits   | 1,429.67               | 1,383.24               |
| Bank deposits due to mature after 12 months from the reporting date*  | 6.79                   | 6.79                   |
| Derivative assets   | 132.38                 | 490.42                 |
|   | <b>1,568.84</b>        | <b>1,880.45</b>        |
| <b>Doubtful</b>   |                        |                        |
| Security deposits   | 25.00                  | 25.00                  |
| Other receivables   | 644.68                 | 644.68                 |
|   | <b>669.68</b>          | <b>669.68</b>          |
| Less: Provision for doubtful other financial assets   | (669.68)               | (669.68)               |
|   | -                      | -                      |
|   | <b>1,568.84</b>        | <b>1,880.45</b>        |
| * It includes bank deposits held against bank guarantees amounting to INR 6.79 lacs (31 March 2023: INR 6.79 lacs). |                        |                        |
| <b>Current</b>  |                        |                        |
| <b>Unsecured, considered good</b>   |                        |                        |
| Interest accrued on fixed and security deposits   | 60.26                  | 50.20                  |
| Interest accrued on loan to subsidiary (refer note 40)  | 2,060.87               | 1,190.37               |
| Derivative assets   | 644.90                 | 1,292.36               |
| Commission accrued on corporate guarantee fee (refer note 40)   | 72.43                  | -                      |
| Contract assets   | 27.04                  | 8.50                   |
| Other receivables   | 4.74                   | 4.75                   |
|   | <b>2,870.24</b>        | <b>2,546.18</b>        |
| <b>Doubtful</b>   |                        |                        |
| Dividend receivable   | 9.01                   | 9.01                   |
| Less: Allowance for doubtful receivable (refer note 40)   | (9.01)                 | (9.01)                 |
|   | -                      | -                      |
|   | <b>2,870.24</b>        | <b>2,546.18</b>        |

## 11 Other assets

| Particulars                                | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>Non-current</b>                         |                        |                        |
| <b>Unsecured, considered good</b>          |                        |                        |
| Capital advances                           | 440.11                 | 259.63                 |
| Advances other than capital advances       |                        |                        |
| Balance with government authorities        | 1,073.49               | 887.75                 |
| Prepayments                                | 59.81                  | 59.50                  |
|  | <b>1,573.41</b>        | <b>1,206.88</b>        |
| <b>Doubtful</b>                            |                        |                        |
| Advances other than capital advances       |                        |                        |
| Advance to suppliers and service providers | 160.72                 | 160.72                 |
|  | <b>160.72</b>          | <b>160.72</b>          |
| Less: Allowance for doubtful advances      | (160.72)               | (160.72)               |
|  | -                      | -                      |
|  | <b>1,573.41</b>        | <b>1,206.88</b>        |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 11 Other assets (Contd..)

| Particulars                                | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>Current</b>                             |                        |                        |
| <b>Unsecured, considered good</b>          |                        |                        |
| Advances other than capital advances       |                        |                        |
| Advance to suppliers and service providers | 4,348.79               | 5,319.12               |
| Advance to employees                       | 128.19                 | 98.57                  |
| Balance with government authorities        | 719.07                 | 894.59                 |
| Prepayments                                | 338.65                 | 301.74                 |
| Others                                     |                        |                        |
| Non-current assets held for sale*          | 18.72                  | 54.11                  |
|  | <b>5,553.42</b>        | <b>6,668.13</b>        |

\* During the previous year, certain non-factory land, buildings and plant and equipment were classified as non-current assets held for sale based on approval from Board of Directors of the Company. The Company is intending to sell these assets by the end of next financial year and efforts to sell have started. Certain land and buildings classified under non-current assets held for sale have been sold during the year. Profits arising on the sale transactions have been reported under Exceptional items in the statement of profit and loss (refer note 66).

## 12 Inventories

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>(Valued at lower of cost and net realisable value)</b> |                        |                        |
| Raw materials   | 18,802.43              | 15,035.90              |
| Work-in-progress  | 586.49                 | 671.24                 |
| Finished goods  | 17,746.42              | 16,329.65              |
| Stock-in-trade  | 417.09                 | 480.37                 |
| Stores and spares   | 1,502.42               | 1,487.39               |
|   | <b>39,054.85</b>       | <b>34,004.55</b>       |
| <b>Inventories in transit</b>                             |                        |                        |
| Raw materials   | 2,215.83               | 2,712.93               |
| Finished goods  | 148.74                 | 34.06                  |
| Stores and spares   | 8.68                   | -                      |
|   | <b>2,373.25</b>        | <b>2,746.99</b>        |
|   | <b>41,428.10</b>       | <b>36,751.54</b>       |

The write down of inventories to net realisable value during the year amounted to INR 330.49 lacs (31 March 2023: INR 285.87 lacs). The write down are included in changes in inventories of finished goods.

Refer note 17 for details of inventories pledged against borrowings.

## 13 Cash and cash equivalents

| Particulars           | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------|------------------------|------------------------|
| Balances with banks   |                        |                        |
| - on current accounts | 6,846.25               | 953.39                 |
|                       | <b>6,846.25</b>        | <b>953.39</b>          |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 14 Bank balances other than Cash and cash equivalents

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Unpaid dividend accounts  | 79.69                  | 85.31                  |
| Deposits with banks with original maturity of more than 3 months but remaining maturity of less than 12 months* | 12.14                  | 1.00                   |
|   | <b>91.83</b>           | <b>86.31</b>           |

\*It includes bank deposits held against bank guarantees amounting to INR 12.14 lacs (31 March 2023: NIL)

## 15 Share capital

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Authorised share capital</b>   |                        |                        |
| 9500000 (31 March 2023: 9500000) equity shares of INR 10 each               | 950.00                 | 950.00                 |
| 50000 (31 March 2023: 50000) preference shares of INR 100 each              | 50.00                  | 50.00                  |
|   | <b>1,000.00</b>        | <b>1,000.00</b>        |
| <b>Issued, subscribed and fully paid-up capital</b>                         |                        |                        |
| 7540899 (31 March 2023: 7537563) equity shares of INR 10 each fully paid-up | 754.09                 | 753.76                 |
| Forfeited shares (amount originally paid-up)                                | 2.72                   | 2.72                   |
|   | <b>756.81</b>          | <b>756.48</b>          |

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

| Equity shares   | 31 March 2024       |                       | 31 March 2023       |                       |
|---|---------------------|-----------------------|---------------------|-----------------------|
|   | Number of<br>shares | Amount<br>INR In Lacs | Number of<br>shares | Amount<br>INR In Lacs |
| Shares outstanding at the beginning of the year                           | 75,37,563           | 753.76                | 75,13,903           | 751.39                |
| Shares issued on exercise of Employee Stock Option Scheme (refer note 42) | 3,336               | 0.33                  | 23660               | 2.37                  |
| <b>Shares outstanding at the end of the year</b>                          | <b>75,40,899</b>    | <b>754.09</b>         | <b>75,37,563</b>    | <b>753.76</b>         |

### (ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a face value of INR 10/- each. Accordingly, all equity shares rank equal with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

### iii) Particulars of shareholders holding more than 5% of total number of equity shares

| Equity shares of INR 10 each, fully paid-up | 31 March 2024       |                 | 31 March 2023       |                 |
|---|---------------------|-----------------|---------------------|-----------------|
|   | Number<br>of shares | % of<br>Holding | Number<br>of shares | % of<br>Holding |
| Central India Industries Limited            | 10,74,634           | 14.25%          | 10,74,634           | 14.26%          |
| Orient Paper and Industries Limited         | 9,06,360            | 12.02%          | 9,06,360            | 12.02%          |

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



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 15 Share capital (Contd..)

### (iv) Shares reserved for issue under Option

For details of shares reserved for issue under Employee Stock Option Schemes of the Company, refer note 42

### (v) Equity shares of INR 10 each, held by promoters at the end of the year

| S. No. | Name of the promoter                       | 31 March 2024    |                   |                          | 31 March 2023    |                   |                          |
|--------|--|------------------|-------------------|--------------------------|------------------|-------------------|--------------------------|
|        |  | Number of shares | % of total shares | % Change during the year | Number of shares | % of total shares | % Change during the year |
| 1      | Mr. Chandra Kant Birla                     | 51,376           | 0.68%             | -                        | 51,376           | 0.68%             | -                        |
| 2      | Amer Investments (Delhi) Limited           | 3,08,763         | 4.09%             | -                        | 3,08,763         | 4.10%             | -                        |
| 3      | Hitaishi Investments Limited               | 67,066           | 0.89%             | -                        | 67,066           | 0.89%             | -                        |
| 4      | Hyderabad Agencies Private Limited         | 4,100            | 0.05%             | -                        | 4,100            | 0.05%             | -                        |
| 5      | Orient Paper and Industries Limited        | 9,06,360         | 12.02%            | -                        | 9,06,360         | 12.02%            | -                        |
| 6      | Universal Trading Company Limited          | 4,000            | 0.05%             | -                        | 4,000            | 0.05%             | -                        |
| 7      | Central India Industries Limited           | 10,74,634        | 14.25%            | -                        | 10,74,634        | 14.26%            | -                        |
| 8      | Gwalior Finance Corporation Limited        | 96,200           | 1.28%             | -                        | 96,200           | 1.28%             | -                        |
| 9      | Ranchi Enterprises and Properties Limited  | 4,500            | 0.06%             | -                        | 4,500            | 0.06%             | -                        |
| 10     | Ashok Investment Corporation Limited       | 3,17,743         | 4.21%             | -                        | 3,17,743         | 4.22%             | -                        |
| 11     | Shekhavati Investments and Traders Limited | 2,24,470         | 2.98%             | -                        | 2,24,470         | 2.98%             | -                        |
|        |  | <b>30,59,212</b> | <b>40.56%</b>     | -                        | <b>30,59,212</b> | <b>40.59%</b>     | -                        |

## 16 Other equity

### (A) Reserves and surplus

#### (i) Securities premium

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Balance at the commencement of the year                     | 1,593.43               | 1,192.50               |
| Add: Premium received on exercise of employee stock options | 56.53                  | 400.93                 |
|   | <b>1,649.96</b>        | <b>1,593.43</b>        |

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

#### (ii) General reserve

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Balance at the commencement of the year   | 44,100.00              | 43,100.00              |
| Add: Amount transferred from surplus balance in the standalone statement of profit and loss | -                      | 1,000.00               |
|   | <b>44,100.00</b>       | <b>44,100.00</b>       |

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 16 Other equity (Contd.)

### (A) Reserves and surplus (Contd.)

#### (iii) Capital redemption reserve

| Particulars                             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Balance at the commencement of the year | 35.00                  | 35.00                  |
| Add: Additions during the year          | -                      | -                      |
|   | <b>35.00</b>           | <b>35.00</b>           |

Capital redemption reserve was created for redemption of preference shares and the balance represents the unutilised amount after complete redemption of the same.

#### (iv) Share options outstanding account

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Balance at the commencement of the year                              | 13.58                  | 230.95                 |
| Less: Transferred to securities premium on exercise of stock options | (15.70)                | (111.29)               |
| Add: Share based payment expenses (refer note 28)                    | 348.04                 | (106.08)               |
|  | <b>345.92</b>          | <b>13.58</b>           |

The Company has formulated equity-settled share-based payment plans for certain categories of employees of the Company. Refer note 42 for further details on these plans.

#### (v) Retained earnings

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Balance at the commencement of the year   | 64,895.40              | 57,685.20              |
| Add: Profit for the year  | 10,297.67              | 13,009.84              |
| <i>Items of other comprehensive income directly recognised in retained earnings</i>       |                        |                        |
| - Remeasurement of defined benefit (asset) / liability, net of tax                        | (13.86)                | 88.69                  |
| <b>Amount available for appropriations</b>  | <b>75,179.21</b>       | <b>70,783.73</b>       |
| Less : Appropriations   |                        |                        |
| Interim dividend on equity shares (amount per share INR 15.00 (31 March 2023: INR 20.00)) | (1,131.13)             | (1,507.07)             |
| Transferred to general reserve  | -                      | (1000.00)              |
| Final dividend on equity shares (amount per share INR 25.00 (31 March 2023: INR 45.00))   | (1,884.39)             | (3,381.26)             |
| <b>Total appropriations</b>   | <b>(3,015.52)</b>      | <b>(5,888.33)</b>      |
| <b>Total retained earnings</b>  | <b>72,163.69</b>       | <b>64,895.40</b>       |
| <b>Total reserves and surplus (A)</b>   | <b>1,18,294.57</b>     | <b>1,10,637.41</b>     |

### (B) Other comprehensive income ("OCI")

| Particulars                             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Equity investments through OCI          |                        |                        |
| Balance at the commencement of the year | 24.83                  | 25.29                  |
| Changes in fair value                   | 0.05                   | (0.46)                 |
| Total other comprehensive income (B)    | 24.88                  | 24.83                  |
| <b>Total (A+B)</b>                      | <b>1,18,319.45</b>     | <b>1,10,662.24</b>     |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 16 Other equity (Contd.)

### (B) Other comprehensive income ("OCI") (Contd.)

#### Dividends

After the reporting dates, the following dividends on equity shares were proposed by the Board of Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as liabilities.

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Dividend on equity shares (amount per equity share INR 22.50 (31 March 2023: INR 25.00)) | 1,696.70               | 1,884.39               |

Dividends paid during the year ended 31 March 2024 include an amount of INR 25.00 per equity share towards final dividend for the year ended 31 March 2023 and an amount of INR 15.00 per equity share towards interim dividend for the year ended 31 March 2024. Dividends paid during the year ended 31 March 2023 include an amount of INR 45.00 per equity share towards final dividend (including an additional final dividend of INR 20.00 per share to commemorate the celebration of Platinum Jubilee on completion of 75 years of incorporation) for the year ended 31 March 2022 and an amount of INR 20.00 per equity share towards interim dividend for the year ended 31 March 2023.

The Board of Directors of the Company have recommended a final dividend of INR 22.50 per share (225%) on 07 May 2024 for the financial year ended 31 March 2024. This, together with an interim dividend of INR 15.00 per share (150%) declared during the year, the total dividend for the financial year ended 31 March 2024 works out to INR 37.50 per share (375%) on equity shares of INR 10 each.

## 17 Borrowings

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>Non-current borrowings</b>  |                        |                        |
| Secured  |                        |                        |
| Term loan from banks (refer note (d) below)  | 11,200.00              | -                      |
| Term loan from others  |                        |                        |
| - Interest free sales tax loan from a financial institution (refer note (a) below)                       | -                      | 1,187.80               |
|  | <b>11,200.00</b>       | <b>1,187.80</b>        |
| <b>Current borrowings</b>  |                        |                        |
| Unsecured  |                        |                        |
| Loans repayable on demand  |                        |                        |
| From banks   |                        |                        |
| - Working capital loan (refer note (c) below)*   | 18,014.69              | 10,520.54              |
| Deferred payment liabilities   |                        |                        |
| - Current maturities of deferred sales tax loan (refer note (b) below)                                   | -                      | 4.98                   |
| Secured  |                        |                        |
| Term loan from banks   |                        |                        |
| - Current maturities of term loan (refer note (d) below)*  | 803.95                 | -                      |
| Term loan from others  |                        |                        |
| - Current maturities of interest free sales tax loan from a financial institution (refer note (a) below) | 1,291.27               | -                      |
|  | <b>20,109.91</b>       | <b>10,525.52</b>       |
|  | <b>31,309.91</b>       | <b>11,713.32</b>       |

\*Includes an amount of INR 14.69 lacs and INR 3.95 lacs for year ended 31 March 2024 (31 March 2023: INR 20.54 lacs and INR NIL), towards the interest accrued but not due on working capital loan and term loan, respectively.

- (a) Represents interest free sales tax loan taken from a financial institution, which is repayable after 7 years from the date of its respective disbursement. The last instalment is falling due in August 2024. As per the agreement, these loans are secured by way of first charge on its entire assets of Sathariya unit, first charge on plant and equipment of its Balasore unit and collateral security of Corporate office building of the Company located at Gachibowli, Hyderabad.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 17 Borrowings (Contd.)

- (b) Deferred sales tax loan was sanctioned towards the sales tax dues relating to Thimmapur unit. The loan was interest free and was completely repaid during the year.
- (c) During the year ended 31 March 2024, the Company availed working capital loans from five banks (INR 9450 lacs from Hongkong and Shanghai Banking Corporation Limited, INR 16150 lacs from Kotak Mahindra Bank Limited, INR 13000 lacs from The Federal Bank Limited, INR 12000 lacs from HDFC Bank Limited and INR 3450 lacs from ICICI Bank Limited), out of which an amount of INR 4950 lacs from Hongkong and Shanghai Banking Corporation Limited, INR 600 lacs from Kotak Mahindra Bank Limited, INR 5000 lacs from The Federal Bank Limited, INR 4000 lacs from HDFC Bank Limited and INR 3450 lacs from ICICI Bank Limited are outstanding as at 31 March 2024. The loans are repayable on demand and carry an interest rate as linked to T-Bill Rate + spread and Repo Rate + spread which has been in the range of 7.16% p.a. to 8.65% p.a. during the year (31 March 2023: 5.75% p.a. to 7.95% p.a.).
- (d) During the year ended 31 March 2024, the Company has availed the following loans:
1. A term loan of INR 4000 lacs from Kotak Mahindra Bank secured by way of first and exclusive charge on identified movable and immovable fixed assets of the Company. The outstanding amount of INR 4000 lacs is repayable with one year moratorium in 16 quarterly instalments of INR 250 lacs each from June 2025 to March 2029. The said loan carried an interest rate of 8.50% p.a. during the year.
  2. A term loan of INR 8000 lacs from The Federal Bank Limited secured by way of first and exclusive charge on identified fixed assets. The outstanding amount of INR 8000 lacs is repayable in 20 quarterly instalments of INR 200 lacs each from June 2024 to March 2025 and INR 450 lacs each from June 2025 to March 2029. The said loan carried an interest rate of 8.40% p.a. during the year.
- (e) An amount of INR 7000 lacs was sanctioned in favour of the Company by State Bank of India Limited (SBI) against security of current assets of the Company. Quarterly returns or statements of current assets filed by the Company to SBI are in agreement with the books of account. In December 2023, the Company has closed all the facilities with SBI.
- (f) There were no delays / defaults in repayment of dues or delays in payment of interest to banks and financial institutions.
- (g) In respect of the following charges, the Company is in the process of collecting no due certificate from the respective parties and the same is expected to get closed in the next financial year. The charges on these loans are open with Registrar of Companies (ROC) Hyderabad:
1. Indian Oil Corporation Limited amounting to INR 4 lacs.

Refer note 55 (C) for the Company's exposure to interest rate and liquidity risks.

## 18 Lease liabilities

| Particulars                       | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------|------------------------|------------------------|
| <b>Non-current</b>                |                        |                        |
| Lease liabilities (refer note 50) | 349.27                 | 482.74                 |
|                                   | <b>349.27</b>          | <b>482.74</b>          |
| <b>Current</b>                    |                        |                        |
| Lease liabilities (refer note 50) | 165.22                 | 275.74                 |
|                                   | <b>165.22</b>          | <b>275.74</b>          |

## 19 Trade payables

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 41)   | 2,068.83               | 2,203.00               |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 40 for payables to related parties) | 21,729.10              | 21,223.60              |
|  | <b>23,797.93</b>       | <b>23,426.60</b>       |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 19 Trade payables (Contd.)

| Particulars                 | Outstanding for following periods from the due date of payment |                  |                  |              |              |                   | Total            |
|-----------------------------|--|------------------|------------------|--------------|--------------|-------------------|------------------|
|                             | Unbilled dues  | Not due          | Less than 1 year | 1-2 years    | 2-3 years    | More than 3 years |                  |
| (i) MSME                    | -  | 1,458.02         | 610.81           | -            | -            | -                 | 2,068.83         |
| (ii) Others                 | 4,768.34   | 12,800.32        | 3,803.93         | 88.64        | 74.81        | 123.28            | 21,659.32        |
| (iii) Disputed dues - MSME  | -  | -                | -                | -            | -            | -                 | -                |
| (iv) Disputed dues - Others | -  | -                | -                | -            | -            | 69.78             | 69.78            |
| <b>As at 31 March 2024</b>  | <b>4,768.34</b>  | <b>14,258.34</b> | <b>4,414.74</b>  | <b>88.64</b> | <b>74.81</b> | <b>193.06</b>     | <b>23,797.93</b> |

| Particulars                 | Outstanding for following periods from due date of payment |                  |                  |              |              |                   | Total            |
|-----------------------------|--|------------------|------------------|--------------|--------------|-------------------|------------------|
|                             | Unbilled dues  | Not due          | Less than 1 year | 1-2 years    | 2-3 years    | More than 3 years |                  |
| (i) MSME                    | -  | 1,141.39         | 1,059.35         | -            | 2.26         | -                 | 2,203.00         |
| (ii) Others                 | 4,399.29   | 10,930.31        | 5,558.59         | 95.48        | 62.12        | 106.98            | 21,152.77        |
| (iii) Disputed dues - MSME  | -  | -                | -                | -            | -            | -                 | -                |
| (iv) Disputed dues - Others | -  | -                | -                | -            | -            | 70.83             | 70.83            |
| <b>As at 31 March 2023</b>  | <b>4,399.29</b>  | <b>12,071.70</b> | <b>6,617.94</b>  | <b>95.48</b> | <b>64.38</b> | <b>177.81</b>     | <b>23,426.60</b> |

Refer note 55 (C) for the Company's exposure to interest rate and liquidity risks.

## 20 Other financial liabilities

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Non-current</b>                                      |                        |                        |
| Liabilities on business acquisition (refer note 33)     | 21.68                  | 19.27                  |
|   | <b>21.68</b>           | <b>19.27</b>           |
| <b>Current</b>  |                        |                        |
| Capital creditors (refer note 41)                       | 1,154.89               | 1,149.56               |
| Unpaid dividend*  | 79.69                  | 85.31                  |
| Sundry deposits   | 4,502.94               | 4,527.22               |
| Derivative liabilities                                  | -                      | 7.27                   |
| Contract liability against performance obligation       | 1,571.12               | 1,295.53               |
| Contract liability against payment                      | 1,957.20               | 2,427.10               |
| Liabilities on business acquisition (refer note 33)     | 33.06                  | 46.81                  |
| Other financial liabilities - discounts and commissions | 1,943.39               | 1,793.27               |
|   | <b>11,242.29</b>       | <b>11,332.07</b>       |

\* Amount lying in unpaid / unclaimed dividend account shall be credited to Investor Education and Protection Fund as per the timelines prescribed under the Companies Act, 2013 with due approvals.

## 21 Provisions

| Particulars                              | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>Non-current</b>                       |                        |                        |
| Provision for employee benefits          |                        |                        |
| - Gratuity (refer note 36)               | 415.14                 | 316.12                 |
| - Other long-term employee benefit plans | 359.87                 | 340.57                 |
| - Compensated absences                   | 783.55                 | 676.88                 |
|  | <b>1,558.56</b>        | <b>1,333.57</b>        |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 21 Provisions (Contd.)

| Particulars                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| <b>Current</b>                                 |                        |                        |
| Provision for employee benefits                |                        |                        |
| - Compensated absences                         | 140.78                 | 112.90                 |
| - Other long-term employee benefit plans       | 368.71                 | 175.85                 |
| - Employee related other costs (refer note 51) | 13.32                  | -                      |
| Other provisions                               |                        |                        |
| - Provision for litigations (refer note 51)    | 253.92                 | 307.25                 |
| - Provision - others (refer note 51)           | 390.00                 | 390.00                 |
|  | <b>1,166.73</b>        | <b>986.00</b>          |

## 22 Other liabilities

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| <b>Non-current</b>                                  |                        |                        |
| Government grant*                                   | -                      | 28.18                  |
|   | <b>-</b>               | <b>28.18</b>           |
| <b>Current</b>                                      |                        |                        |
| Statutory liabilities                               | 1,093.81               | 893.44                 |
| Government grant*                                   | 28.18                  | 84.55                  |
| Advance for sale of non-current asset held for sale | 830.00                 | -                      |
| Other liabilities - statutory obligations           | 1,252.96               | 1,696.83               |
|   | <b>3,204.95</b>        | <b>2,674.82</b>        |

\*Government grant is recognised on fair valuation of Interest free sales tax loan.

## 23 Revenue from operations

| Particulars                                     | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Revenue from contracts with customers           |                                     |                                     |
| - Sale of products                              |                                     |                                     |
| Finished goods                                  | 2,07,681.01                         | 2,06,196.12                         |
| Traded goods                                    | 14,036.46                           | 8,431.70                            |
| - Sale of services                              |                                     |                                     |
| Service concession arrangements (refer note 43) | 220.62                              | 225.48                              |
| Other operating revenues                        |                                     |                                     |
| - Scrap sales                                   | 707.56                              | 571.38                              |
| - Liabilities no longer required, written back  | 439.62                              | 95.80                               |
|   | <b>2,23,085.27</b>                  | <b>2,15,520.48</b>                  |

### Disaggregation of revenue

| Particulars                           | Reportable segments for the year ended 31 March 2024 |                       |                      |               |
|---------------------------------------|--|-----------------------|----------------------|---------------|
|                                       | Roofing<br>Solutions                                 | Building<br>Solutions | Polymer<br>Solutions | Others        |
| <b>By sources of revenue</b>          |  |                       |                      |               |
| Revenue from contracts with customers | 1,14,189.02  | 54,081.01             | 53,363.93            | 304.13        |
| Other operating revenues              | 517.42   | 440.83                | 174.29               | 14.64         |
|                                       | <b>1,14,706.44</b>                                   | <b>54,521.84</b>      | <b>53,538.22</b>     | <b>318.77</b> |



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 23 Revenue from operations (Contd.)

### Disaggregation of revenue (Contd.)

| Particulars                                     | Reportable segments for the year ended 31 March 2024 |                    |                   |               |
|---|--|--------------------|-------------------|---------------|
|   | Roofing Solutions                                    | Building Solutions | Polymer Solutions | Others        |
| <b>By geographical markets</b>                  |  |                    |                   |               |
| - India   | 1,14,026.81  | 54,008.56          | 53,523.75         | 304.55        |
| - Others  | 679.63   | 513.28             | 14.47             | 14.22         |
|   | <b>1,14,706.44</b>                                   | <b>54,521.84</b>   | <b>53,538.22</b>  | <b>318.77</b> |
| <b>By major product lines</b>                   |  |                    |                   |               |
| - Cement based products: sheets, panels, boards | 1,14,706.44  | 21,959.99          | -                 | -             |
| - Pipes and Fittings                            | -  | -                  | 34,252.35         | -             |
| - Putty and dry mix                             | -  | 524.53             | 14,707.08         | -             |
| - Fly ash blocks                                | -  | 32,037.32          | -                 | -             |
| - Others  | -  | -                  | 4578.79           | 318.77        |
|   | <b>1,14,706.44</b>                                   | <b>54,521.84</b>   | <b>53,538.22</b>  | <b>318.77</b> |
| <b>Timing of revenue recognition</b>            |  |                    |                   |               |
| Products transferred at a point in time         | 1,14,706.44  | 54,521.84          | 53,538.22         | 318.77        |
| Products and services transferred over time     | -  | -                  | -                 | -             |
|   | <b>1,14,706.44</b>                                   | <b>54,521.84</b>   | <b>53,538.22</b>  | <b>318.77</b> |

| Particulars                                     | Reportable segments for the year ended 31 March 2023 |                    |                   |               |
|---|--|--------------------|-------------------|---------------|
|   | Roofing Solutions                                    | Building Solutions | Polymer Solutions | Others        |
| <b>By sources of revenue</b>                    |  |                    |                   |               |
| Revenue from contracts with customers           | 1,11,209.07  | 50,755.95          | 52,517.18         | 371.10        |
| Other operating revenues                        | 337.09   | 229.95             | 99.92             | 0.22          |
|   | <b>1,11,546.16</b>                                   | <b>50,985.90</b>   | <b>52,617.10</b>  | <b>371.32</b> |
| <b>By geographical markets</b>                  |  |                    |                   |               |
| - India   | 110759.54  | 50,253.97          | 52,492.39         | 371.32        |
| - Others  | 786.62   | 731.93             | 124.71            | -             |
|   | <b>111546.16</b>                                     | <b>50,985.90</b>   | <b>52,617.10</b>  | <b>371.32</b> |
| <b>By major product lines</b>                   |  |                    |                   |               |
| - Cement based products: sheets, panels, boards | 1,11,546.16  | 20,209.86          | -                 | -             |
| - Pipes and Fittings                            | -  | -                  | 34,945.44         | -             |
| - Putty and dry mix                             | -  | 567.50             | 17,671.66         | -             |
| - Fly ash blocks                                | -  | 30,184.96          | -                 | -             |
| - Others  | -  | 23.58              | -                 | 371.32        |
|   | <b>1,11,546.16</b>                                   | <b>50,985.90</b>   | <b>52,617.10</b>  | <b>371.32</b> |
| <b>Timing of revenue recognition</b>            |  |                    |                   |               |
| Products transferred at a point in time         | 1,11,546.16  | 50,985.90          | 52,617.10         | 371.32        |
| Products and services transferred over time     | -  | -                  | -                 | -             |
|   | <b>11,15,46.16</b>                                   | <b>50,985.90</b>   | <b>52,617.10</b>  | <b>371.32</b> |

### Reconciliation of revenue recognised with contract prices

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Revenue as per contracted price                         | 2,31,284.21                         | 2,23,471.64                         |
| Less: Contract liability against performance obligation | 1,571.12                            | 1,295.53                            |
| Less: Discounts   | 7,775.00                            | 7,322.81                            |
|   | <b>2,21,938.09</b>                  | <b>2,14,853.30</b>                  |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 23 Revenue from operations (Contd.)

### Contract balances

The following table provides information about the receivables, contract assets and contract liabilities from contracts with customers:

| Particulars          | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|----------------------|-------------------------------------|-------------------------------------|
| Trade receivables    | 14,884.53                           | 12,167.18                           |
| Contract assets      | 27.04                               | 8.50                                |
| Contract liabilities | 3,528.32                            | 3,722.63                            |

- Trade receivables are the amounts receivable by the Company from the Revenues from Contracts with customers and other operating revenues.
- The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date.
- The contract liabilities primarily relate to the advance consideration received from customers and contract liabilities arising from loyalty programmes of the Company. The amount of INR 3722.63 lacs included in contract liabilities at 31 March 2023 have been recognised as revenue during the year ended 31 March 2024 (31 March 2023: INR 5939.27).

No information provided about remaining performance obligations as at 31 March 2024 and 31 March 2023 that have an original expected duration of one year or less, as allowed by Ind AS 115.

## 24 Other income

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Dividend income on equity securities - at FVOCI- investment held at reporting date (refer note 7) | 0.25                                | 0.38                                |
| Gain on sale of current investments, net  | 34.20                               | 79.56                               |
| Interest income under the effective interest method on financial assets at amortised cost         | 38.00                               | 74.31                               |
| Interest income from loan to subsidiary at amortised cost (refer note 40)                         | 864.12                              | 659.76                              |
| Commission on corporate guarantee given for subsidiary (refer note 40)                            | 73.36                               | -                                   |
| Interest on income-tax refund (refer note 34)   | -                                   | 504.70                              |
| Rental income   |                                     |                                     |
| From investment property (refer note 5)   | 559.98                              | 497.63                              |
| From others   | 8.92                                | 10.60                               |
| Net gain on foreign currency transactions   | 1,758.65                            | 760.51                              |
| Fair value gain on financial assets measured at fair value through profit and loss, net           | 29.89                               | 250.58                              |
| Government grant  | 84.55                               | 84.55                               |
| Miscellaneous income  | 139.16                              | 329.78                              |
|   | <b>3,591.08</b>                     | <b>3,252.36</b>                     |

## 25 Cost of materials consumed

| Particulars  | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Inventory of materials at the beginning of the year            | 17,748.83                           | 16,619.84                           |
| Add: Acquisitions through business combination (refer note 33) | -                                   | 34.18                               |
| Add: Purchases during the year                                 | 1,24,111.28                         | 1,21,251.57                         |
| Less: Inventory of materials at the end of the year            | (21,018.26)                         | (17,748.83)                         |
|  | <b>1,20,841.85</b>                  | <b>1,20,156.76</b>                  |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 26 Purchases of stock-in-trade

| Particulars                 | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Purchases of stock-in-trade | 10,840.35                           | 6,434.98                            |

## 27 Changes in inventories of finished goods, stock-in-trade and work-in-progress

| Particulars  | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Inventories at the beginning of the year                           |                                     |                                     |
| Finished goods   | 16,363.71                           | 15,521.48                           |
| Stock-in-trade   | 480.37                              | 388.28                              |
| Work-in-progress   | 671.24                              | 360.66                              |
|  | <b>17,515.32</b>                    | <b>16,270.42</b>                    |
| Inventories at the end of the year                                 |                                     |                                     |
| Finished goods   | 17,895.16                           | 16,363.71                           |
| Stock-in-trade   | 417.09                              | 480.37                              |
| Work-in-progress   | 586.49                              | 671.24                              |
|  | <b>18,898.74</b>                    | <b>17,515.32</b>                    |
| Changes in inventories   | (1,383.42)                          | (1,244.90)                          |
| Add: Stocks of finished goods out of trial run production          | -                                   | 6.15                                |
| Inventories acquired through business combinations (refer note 33) | -                                   | 12.10                               |
|  | <b>(1,383.42)</b>                   | <b>(1,226.65)</b>                   |

## 28 Employee benefits expense

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus   | 16,632.39                           | 14,228.55                           |
| Contribution to provident and other funds (refer note 36)             | 830.96                              | 762.35                              |
| Employee share based payment expense - equity settled (refer note 42) | 348.04                              | (106.08)                            |
| Gratuity expenses (refer note 36)                                     | 302.19                              | 267.39                              |
| Staff welfare expenses  | 1,167.89                            | 1,043.77                            |
|   | <b>19,281.47</b>                    | <b>16,195.98</b>                    |

## 29 Finance costs

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Interest expenses on long-term loans measured at amortised cost             | 20.52                               | -                                   |
| Interest expenses on working capital loans measured at amortised cost       | 657.87                              | 256.16                              |
| Interest expenses on other financial liabilities measured at amortised cost | 108.18                              | 98.46                               |
| Interest expenses on lease liabilities                                      | 48.13                               | 62.49                               |
| Interest expenses on income-tax   | -                                   | 9.58                                |
| Interest expenses on security deposits and others                           | 240.04                              | 236.16                              |
|   | <b>1,074.74</b>                     | <b>662.85</b>                       |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 30 Depreciation and amortisation expenses

| Particulars  | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Depreciation of property, plant and equipment (refer note 4) | 5,991.80                            | 5,090.61                            |
| Amortisation of intangible assets (refer note 6)             | 465.25                              | 392.99                              |
| Depreciation on investment property (refer note 5)           | 30.37                               | 30.37                               |
| Depreciation on right of use assets (refer note 4)           | 308.17                              | 291.56                              |
|  | <b>6,795.59</b>                     | <b>5,805.53</b>                     |

## 31 Other expenses

| Particulars  | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Consumption of stores and spares   | 4,469.57                            | 4,453.68                            |
| Power and fuel   | 8,892.17                            | 8,789.89                            |
| Contract wages   | 6,981.23                            | 6,156.11                            |
| Repairs and maintenance  |                                     |                                     |
| Plant and equipment (excluding stores and spares consumption)                      | 833.43                              | 828.50                              |
| Buildings  | 312.44                              | 264.64                              |
| Others   | 1,430.72                            | 1,286.33                            |
| Carriage outwards  | 21,417.82                           | 20,411.15                           |
| Packing expenses   | 1,144.59                            | 1,074.84                            |
| Rent (refer note 50)   | 710.99                              | 462.20                              |
| Rates and taxes  | 270.93                              | 333.57                              |
| Insurance  | 203.57                              | 204.06                              |
| Professional, consultancy and legal expenses (refer note (i) below)                | 3,092.62                            | 2,438.47                            |
| Advertisement and sales promotion  | 3,336.55                            | 2,820.75                            |
| Travelling and conveyance  | 2,185.70                            | 2,193.09                            |
| Commission on sales  | 161.84                              | 92.44                               |
| Directors' commission  | 105.00                              | 120.00                              |
| Directors' fee   | 72.00                               | 58.00                               |
| Donations*   | 400.25                              | 100.00                              |
| Net loss on sale of property, plant and equipment                                  | 104.02                              | 180.86                              |
| Provision for impairment of receivables, advances and other assets, net            | 221.74                              | 163.46                              |
| Bad debts written off  | 204.69                              | -                                   |
| Fair value loss on financial assets measured at fair value through profit and loss | 998.23                              | -                                   |
| Expenditure on corporate social responsibility (refer note 32)                     | 388.41                              | 343.03                              |
| Miscellaneous  | 1,705.80                            | 1,600.35                            |
|  | <b>59,644.31</b>                    | <b>54,375.42</b>                    |

\*Donations include INR 300.25 lacs contribution made to Electoral Trust (31 March 2023: NIL).

### Note:

- (i) Payment to auditors (included in professional, consultancy and legal expenses) (exclusive of taxes)

| Particulars                              | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| <b>As auditor</b>                        |                                     |                                     |
| Statutory audit fee                      | 58.00                               | 63.00                               |
| Tax audit fee                            | 6.00                                | 6.00                                |
| Limited review of quarterly results      | 30.00                               | 27.00                               |
| Consolidation                            | 14.00                               | 12.00                               |
| <b>For other services</b>                |                                     |                                     |
| For certification and income-tax matters | 11.40                               | 19.80                               |
| <b>For reimbursement of expenses</b>     | 12.56                               | 9.72                                |
|  | <b>131.96</b>                       | <b>137.52</b>                       |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 32 Details of corporate social responsibility expenditure

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| a) Gross amount required to be spent by the Company during the year | 388.41                              | 342.64                              |
| b) Amount approved by the board to be spent during the year         | 388.41                              | 342.64                              |
| c) Amount spent during the year (in cash) :                         |                                     |                                     |
| i) Construction/ acquisition of any asset                           | -                                   | -                                   |
| ii) On purposes other than (i) above                                | 406.50                              | 343.03                              |
| iii) Nature of CSR activities                                       |                                     |                                     |
| Eradicating hunger, poverty and malnutrition                        |                                     |                                     |
| Promoting education   |                                     |                                     |
| Promoting gender equality   |                                     |                                     |
| Environmental initiatives   |                                     |                                     |
| Protection of national heritage, art and culture                    |                                     |                                     |
| Disaster management   |                                     |                                     |
| Rural Development   |                                     |                                     |
| Community Development   |                                     |                                     |
| d) Related party transactions                                       | -                                   | -                                   |
| e) Shortfall /(excess) at the end of the year                       | (18.09)                             | -                                   |
| f) Movements in provision of liability created                      | -                                   | -                                   |

### Note:

In view of the ongoing CSR commitments of the Company towards promoting education, eradicating hunger, poverty and malnutrition, and community development, vis a vis, the statutory CSR obligations of the Company calculated as per the provisions of Sections 135 of Companies Act, 2013, it is likely that the amount available for setoff would be utilised by the Company in the succeeding financial year.

## 33 Business Acquisition

See accounting policy in note 3(v).

On 29 July 2022, the Board of Directors of the Company have approved the acquisition of AAC blocks business of Fastbuild Blocks Private Limited at a purchase consideration of INR 3702.61 lacs, through a slump sale on a going concern basis. The acquisition was completed on 17 August 2022 with compliance to the conditions specified in the agreement by the respective parties. The fair value of assets and liabilities acquired have been determined in accordance with Ind AS 103 "Business Combinations". Consequent to the acquisition, the said business has been reported under the Building Solutions segment of the Company.

### A. Consideration

| Particulars  | INR in lacs     |
|--|-----------------|
| i. Cash paid   | 3,628.50        |
| ii. Hold back amount and other indemnity amounts                   | 74.11           |
| <b>iii. Total consideration as per BTA (i+ii)</b>                  | <b>3,702.61</b> |
| iv. Present value of hold back amounts and other indemnity amounts | 62.97           |
| <b>v. Present value of total consideration (i+iv)</b>              | <b>3,691.47</b> |

### B. Acquisition-related costs

The Company incurred acquisition-related costs of INR 133.78 lacs on legal fees, due diligence costs and other professional fees during the year ended 31 March 2023. These costs have been included in "legal and professional fees" under "other expenses" (refer note 31).

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 33 Business Acquisition (Contd.)

### C. Identifiable assets acquired and liabilities assumed

The following table summarises the assets acquired and liabilities assumed at the date of acquisition.

| Particulars                                   | Note | INR in lacs     |
|---|------|-----------------|
| <b>Assets</b>                                 |      |                 |
| Property, plant and equipment                 | 4    | 2,673.22        |
| Other intangible assets                       | 6    | 185.11          |
| Inventories                                   | 12   | 84.54           |
| Trade receivables                             | 8    | 270.88          |
| Other financial assets                        | 10   | 24.34           |
| Other assets                                  | 11   | 34.18           |
|   |      | <b>3,272.27</b> |
| <b>Liabilities</b>                            |      |                 |
| Trade payables                                | 19   | (80.60)         |
| Provisions                                    | 21   | (21.73)         |
| Other financial liabilities                   | 20   | (8.44)          |
| Deferred tax liability                        | 34E  | (217.28)        |
| <b>Total net identifiable assets acquired</b> |      | <b>2,944.22</b> |

#### (i) Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

| Assets acquired                      | Valuation technique  |
|--------------------------------------|--|
| <b>Property, plant and equipment</b> | <i>Market comparison technique and cost technique:</i> The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.  |
| <b>Intangibles</b>                   | <i>Relief-from-royalty method and with-without method:</i> Brand value is arrived using relief-from-royalty method by considering a five year projection of discounted estimates of net revenues, adjusted with the present value of tax amortization benefits on possible future amortizations of the brand. For valuing non-compete fees, with-without method has been used. A five year impact on revenues and cash-flows with and with out a non-compete agreement is estimated. The fair value so arrived is adjusted with the present value of future tax amortization benefits. |
| <b>Inventories</b>                   | <i>Market comparison technique:</i> The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.  |

#### (ii) Acquired receivables:

Fair value of the acquired trade receivables at the date of acquisition is INR 270.88 lacs. The trade receivables comprise gross contractual amounts due of INR 270.88 lacs, of which INR NIL was expected to be uncollectable at the date of acquisition.

### D. Goodwill

Goodwill arising from the acquisition has been recognised as follows:

| Particulars                            | Note  | INR in lacs   |
|--|-------|---------------|
| Total consideration as per BTA         |       | 3,702.61      |
| Present value consideration as per BTA | (A)   | 3,691.47      |
| Fair value of net identifiable assets  | (C)   | 2,944.22      |
| <b>Goodwill</b>                        | (A-C) | <b>747.25</b> |

The goodwill is attributable mainly to the synergies, expected to be achieved from integrating the acquired assets into the Company's existing Building Solutions segment business. None of the goodwill recognised is expected to be deductible for tax purposes.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 33 Business Acquisition (Contd.)

### D. Goodwill (Contd.)

For the period 17 August 2022 to 31 March 2023, acquired business contributed revenue of INR 1527.39 lacs and a loss before tax of INR 344.07 lacs to the Company's results. If the acquisition had occurred on 01 April 2022, management estimates that revenue of the Company would have been INR 216444.04 lacs and Profit before tax of the Company would have been INR 16189.45 lacs, for the year ended 31 March 2023. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 01 April 2022.

## 34 Income-tax

### (A) Amount recognised in the statement of profit and loss

| Particulars  | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Current tax  | 3,531.34                            | 3,859.89                            |
| Income-tax for earlier years                       | 53.07                               | (837.07)                            |
| Deferred tax attributable to temporary differences | (579.33)                            | 335.31                              |
| <b>Tax expenses</b>                                | <b>3,005.08</b>                     | <b>3,358.13</b>                     |

Current tax for the year ended 31 March 2023 includes reversal of income-tax expense of earlier years amounting to INR 837.07 lacs on account of receipt of assessment orders from Income Tax Appellate Tribunal. The Company has also received interest on income-tax refund amounting to INR 504.70 lacs against the refund received during the year ended 31 March 2023.

### (B) Amount recognised in other comprehensive income ("OCI")

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| <b>Deferred tax related to items recognised in OCI</b>  |                                     |                                     |
| Deferred tax income / (expense) on remeasurements of defined benefit (asset) / liability            | 4.64                                | (29.83)                             |
| Deferred tax (expense) / income on fair value gain on investments in equity instruments through OCI | (0.02)                              | 0.12                                |
| <b>Deferred tax income / (expense) recognised in OCI</b>  | <b>4.62</b>                         | <b>(29.71)</b>                      |

### (C) Reconciliation of effective tax rate

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| <b>Profit before tax</b>  | 13,302.75                           | 16,367.97                           |
| Enacted tax rate in India   | 25.168%                             | 25.168%                             |
| Tax using the Company's domestic tax rate   | 3,348.04                            | 4,119.49                            |
| <b>Tax effect of:</b>   |                                     |                                     |
| Non-deductible tax expenses   | 209.69                              | 110.61                              |
| Rate difference   | (44.93)                             | 0.20                                |
| Recognition of tax allowances   | (567.14)                            | (35.10)                             |
| Others  | 6.35                                | -                                   |
|   | <b>2,952.01</b>                     | <b>4,195.20</b>                     |
| Adjustments in respect of income-tax for earlier years                              | 53.07                               | (837.07)                            |
| <b>Income-tax expense recognised in the standalone statement of profit and loss</b> | <b>3,005.08</b>                     | <b>3,358.13</b>                     |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 34 Income-tax (Contd..)

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

| Particulars  | 31 March 2024   | 31 March 2023   |
|--|-----------------|-----------------|
| <b>Deferred tax liabilities</b>  |                 |                 |
| Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account | 5,274.57        | 5,336.46        |
| Fair value gain on derivatives   | -               | 181.72          |
| Right of use assets  | 313.13          | 382.84          |
| Others   | 10.05           | 14.80           |
| <b>Total deferred tax liabilities (A)</b>  | <b>5,597.75</b> | <b>5,915.82</b> |
| <b>Deferred tax assets</b>   |                 |                 |
| Allowable for tax purposes on payment basis  | 1,559.44        | 1,415.34        |
| Provision for doubtful trade receivables   | 592.58          | 536.72          |
| Lease liabilities  | 129.49          | 190.89          |
| Others   | 187.70          | 60.35           |
| <b>Total deferred tax assets (B)</b>   | <b>2,469.21</b> | <b>2,203.30</b> |
| <b>Net deferred tax liability (A-B)</b>  | <b>3,128.54</b> | <b>3,712.52</b> |

(E) Movement in temporary differences:

| Particulars  | Balance as at 01 April 2022 | Acquired on business combination | Recognised in profit or loss during 2022-23 | Recognised in OCI during 2022-23 | Balance as at 31 March 2023 | Recognised in profit or loss during 2023-24 | Recognised in OCI during 2023-24 | Balance as at 31 March 2024 |
|--|-----------------------------|----------------------------------|---|----------------------------------|-----------------------------|---|----------------------------------|-----------------------------|
| <b>Deferred tax liabilities</b>  |                             |                                  |   |                                  |                             |   |                                  |                             |
| Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account | 5,493.69                    | 217.28                           | (374.51)                                    | -                                | 5,336.46                    | (61.89)                                     | -                                | 5,274.57                    |
| Fair valuation gain in derivatives   | 181.72                      | -                                | -   | -                                | 181.72                      | (181.72)                                    | -                                | -                           |
| Right of use assets  | 135.78                      | -                                | 247.06                                      | -                                | 382.84                      | (69.71)                                     | -                                | 313.13                      |
| Others   | 17.64                       | -                                | (2.72)                                      | (0.12)                           | 14.80                       | (4.76)                                      | 0.02                             | 10.05                       |
| <b>Total deferred tax liabilities (A)</b>  | <b>5,828.83</b>             | <b>217.28</b>                    | <b>(130.17)</b>                             | <b>(0.12)</b>                    | <b>5,915.82</b>             | <b>(318.08)</b>                             | <b>0.02</b>                      | <b>5,597.75</b>             |
| <b>Deferred tax assets</b>   |                             |                                  |   |                                  |                             |   |                                  |                             |
| Allowable for tax purposes on payment basis  | 1,887.72                    | -                                | (472.38)                                    | -                                | 1,415.34                    | 144.10                                      | -                                | 1,559.44                    |
| Provision for doubtful trade receivables   | 495.58                      | -                                | 41.14                                       | -                                | 536.72                      | 55.86                                       | -                                | 592.58                      |
| Lease liabilities  | 174.17                      | -                                | 16.72                                       | -                                | 190.89                      | (61.41)                                     | -                                | 129.49                      |
| Others   | 141.14                      | -                                | (50.96)                                     | (29.83)                          | 60.35                       | 122.70                                      | 4.64                             | 187.70                      |
| <b>Total deferred tax assets (B)</b>   | <b>2,698.61</b>             | <b>-</b>                         | <b>(465.48)</b>                             | <b>(29.83)</b>                   | <b>2,203.30</b>             | <b>261.25</b>                               | <b>4.64</b>                      | <b>2,469.21</b>             |
| <b>Net deferred tax (asset) / liability (A-B)</b>  | <b>3,130.22</b>             | <b>217.28</b>                    | <b>335.31</b>                               | <b>29.71</b>                     | <b>3,712.52</b>             | <b>(579.33)</b>                             | <b>(4.62)</b>                    | <b>3,128.54</b>             |

## 35 Operating segments

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segment are presented in these standalone financial statements.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 36 Employee benefits

The Company has the following post-employment benefit plans:

### (a) Defined contribution plan

The following amount has been recognised as an expense in standalone statement of profit and loss on account of contribution to provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

| Particulars                                       | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Contribution to provident fund                    | 819.45        | 728.85        |
| Contribution to employees state insurance schemes | 11.51         | 12.94         |
| Contribution to superannuation fund               | -             | 20.56         |
|   | <b>830.96</b> | <b>762.35</b> |

### (b) Defined benefit plan

In accordance with the 'The Payment of Gratuity Act, 1972', the Company provides for Gratuity, the Employees' Gratuity Fund Scheme (the Gratuity Plan), covering eligible employees. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at the end of the year and are charged to the standalone statement of profit and loss. This defined benefit plans expose the Company to actuarial risks, such as liquidity risk, interest rate risk, investment risk, etc.

**Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

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

The Company has determined that, in accordance with the terms and conditions of the gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan of the relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. As such, no decrease in the defined benefit asset is necessary at 31 March 2024 (31 March 2023: no decrease in defined benefit asset). Project unit credit method has been used for valuation.

#### i. Reconciliation of the net defined benefit (asset) / liability

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

| Particulars  | 31 March 2024   | 31 March 2023   |
|--|-----------------|-----------------|
| <i>Reconciliation of present value of defined benefit obligation</i> |                 |                 |
| Balance at the beginning of the year                                 | 2,421.39        | 2,277.35        |
| Current service cost   | 278.59          | 245.04          |
| Interest cost  | 180.78          | 157.02          |
| Re-measurement (or actuarial) (gain) / loss arising from:            |                 |                 |
| - change in demographic assumptions                                  | -               | -               |
| - change in financial assumptions                                    | 54.82           | (92.10)         |
| - experience variance (i.e. actual experience vs assumptions)        | (29.63)         | 0.10            |
| Benefits paid  | (222.28)        | (187.75)        |
| Changes due to business acquisition                                  | -               | 21.73           |
| <b>Balance at the end of the year</b>                                | <b>2,683.67</b> | <b>2,421.39</b> |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 36 Employee benefits (Contd.)

### (b) Defined benefit plan (Contd.)

#### i. Reconciliation of the net defined benefit (asset) / liability (Contd.)

| Particulars   | 31 March 2024   | 31 March 2023   |
|---|-----------------|-----------------|
| <i>Reconciliation of the present value of plan assets</i>                   |                 |                 |
| Balance at the beginning of the year  | 2,105.27        | 1,953.10        |
| Interest income   | 157.18          | 134.67          |
| Contributions paid into the plan  | 0.34            | 0.34            |
| Benefits paid   | (0.95)          | (9.36)          |
| Return on plan assets, excluding amount recognised in net interest expense  | 6.69            | 26.52           |
| <b>Balance at the end of the year</b>                                       | <b>2,268.53</b> | <b>2,105.27</b> |
| <b>Net defined benefit liability recognised in standalone balance sheet</b> | <b>415.14</b>   | <b>316.12</b>   |
| <i>Expense recognised in standalone statement of profit and loss</i>        |                 |                 |
| Current service cost  | 278.59          | 245.04          |
| Net interest cost on the net defined benefit liability                      | 23.60           | 22.35           |
|   | <b>302.19</b>   | <b>267.39</b>   |
| <i>Remeasurements recognised in other comprehensive income</i>              |                 |                 |
| Actuarial loss / (gain) on defined benefit obligation                       | 25.19           | (92.00)         |
| Return on plan assets, excluding amount recognised in net interest expense  | (6.69)          | (26.52)         |
|   | <b>18.50</b>    | <b>(118.52)</b> |

#### Plan assets

Plan assets comprises of the following:

| Particulars         | 31 March 2024 | 31 March 2023 |
|---------------------|---------------|---------------|
| Fund managed by LIC | 100%          | 100%          |

#### ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| Particulars  | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Discount rate  | 7.15%         | 7.45%         |
| Future salary growth   | 8.00%         | 8.00%         |
| Attrition rate   | 7.00%         | 7.00%         |
| Mortality rate (as a % of Indian Assured Lives Mortality 2012-14 (IALM) for FY 2023-24 and FY 2022-23) | 100%          | 100%          |

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the market yields of high quality corporate bonds on the valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 36 Employee benefits (Contd.)

### (b) Defined benefit plan (Contd.)

#### iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

| Particulars   | 31 March 2024 |          | 31 March 2023 |          |
|---|---------------|----------|---------------|----------|
|   | Increase      | Decrease | Increase      | Decrease |
| Effect of 1% change in the assumed discount rate      | 2,508.48      | 2,882.66 | 2,268.86      | 2,594.34 |
| Effect of 1% change in the assumed salary growth rate | 2,879.06      | 2,508.25 | 2,591.72      | 2,268.25 |
| Effect of 50% change in the assumed attrition rate    | 2,641.92      | 2,739.23 | 2,395.21      | 2,455.57 |
| Effect of 10% change in the assumed mortality rate    | 2,683.36      | 2,683.92 | 2,421.20      | 2,421.53 |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

There are no changes in the methods and assumptions used in preparing the sensitivity analysis from the previous year.

#### Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of INR 722.35 lacs to the plan for the next annual reporting period (31 March 2023: INR 572.74 lacs).

#### Maturity profile of the defined benefit obligation

Expected cash flows on undiscounted basis

| Particulars        | 31 March 2024 | 31 March 2023 |
|--------------------|---------------|---------------|
| Within 1 year      | 521.48        | 420.21        |
| 2 to 5 years       | 1,029.52      | 1,039.19      |
| 6 to 10 years      | 1,129.36      | 981.19        |
| More than 10 years | 2,293.49      | 2,105.18      |

As at 31 March 2024, the weighted average duration of the defined benefit obligation was 7 years (31 March 2023: 7 years).

## 37 Earnings per share ("EPS")

| Particulars   | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| (a) Net profit attributable to the equity shareholders  | 10,297.67     | 13,009.84     |
| (b) Weighted average number of equity shares outstanding during the year                                      | 75,38,952     | 75,22,142     |
| (c) Effect of potential equity shares on employee stock options outstanding*                                  | -             | 1,930         |
| (d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b) + (c)] | 75,38,952     | 75,24,072     |
| (e) Nominal value of equity shares (in INR)   | 10.00         | 10.00         |
| (f) Basic earnings per share (in INR) [(a)/(b)]   | 136.59        | 172.95        |
| (g) Diluted earnings per share (in INR) [(a)/(d)]   | 136.59        | 172.91        |

\*As at 31 March 2024, 65056 options were excluded from the diluted weighted average number of equity share calculation because their effect would have been anti-dilutive.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 38 Capital commitments

| Particulars  | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 4,346.93      | 1,525.52      |

### Other commitments

- (i) The Company has issued a corporate guarantee of Euro 33.705 million at a commission of 0.50% p.a. on the outstanding guarantee amount, in favour of the wholly owned subsidiary company, HIL International GmbH, Germany on 27 September 2023 in respect of the loan taken by the subsidiary from ICICI Bank UK PLC, Germany.

## 39 Contingent liabilities

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

| Particulars  | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| (a) Demand raised by the Income-tax authorities, being disputed by the Company*  | 1,180.92      | 1,095.06      |
| (b) Demands raised by sales tax and Goods and service taxes authorities, being disputed by the Company**   | 8,591.89      | 8,840.39      |
| (c) Demands (including penalties) raised by excise authorities, being disputed by the Company***   | 698.37        | 689.21        |
| (d) Appeal filed by the Company before the High Court of Judicature of Andhra Pradesh against the decision of appeal in favour of the Income-tax department pertaining to wealth tax matter.   | 56.98         | 56.98         |
| (e) Pending cases with High Court where Income-tax department has preferred appeals  | 1,531.36      | 1,535.22      |
| (f) Demand for property tax, being disputed by the Company^  | -             | -             |
| (g) Other claims against the Company not acknowledged as debts ****  | 271.11        | 286.64        |
| (h) There are other civil matters against the Company of which one such case is pertaining to certain mining activity performed by the Company in the past. The National Green Tribunal ("NGT"), New Delhi, disposed off the above case in the earlier year, directing that the restoration of mine to be carried out by State of Jharkhand; and filing of claims by the victims before the District Judge, Chaibasa for adjudication. Aggrieved by some of the findings in the aforesaid Orders and subsequent Orders passed by NGT, the Company filed a Civil Appeal before the Honourable Supreme Court of India. The Honourable Supreme Court of India directed to issue notice to other parties and maintain status in the meantime. During the previous year, the district mining officer, Chaibasa, has sought payment of environment compensation of INR 1344 lacs from the Company which is in wilful disobedience of the aforesaid order passed by the Honourable Supreme Court. The Company has responded accordingly. In view of the aforesaid Status Quo Order the further proceedings before NGT are being adjourned from time to time. Management believes that the final outcome of the above matter is not expected to be material on the financial statements. |               |               |

\* Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, 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.

\*\*\*During the year ended 31 March 2023, the Company received a demand from Goods and Services Tax Department, Government of Tamil Nadu, Chennai amounting to INR 7160 lacs for the period 01 July 2017 to 31 August 2022, with regards to HSN (Harmonized System Nomenclature) Classification code of one of the product sold by the Company. The Company challenged the said Orders by filing Appeals before Deputy Commissioner (Appeals), Chennai. Aggrieved by the order of the Appellate Authority confirming the demand, the Company has challenged the said Orders in the Honourable High Court of Madras by filing writ petition. Further, during the current year, a demand for an amount of INR 470 lacs was received by the Company from Goods and Services Tax Department, Government of Tamil Nadu, Chennai on this matter for the period 01 September 2022 to 31 March 2023. As on 31 March 2024, the Company has considered the aforesaid amount of INR 7630 lacs as Contingent liability.

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

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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 39 Contingent liabilities (Contd.)

### A. Contingent liabilities (not provided for) in respect of: (Contd.)

^ Greater Hyderabad Municipal Corporation ("GHMC") had served property tax demand notices on the Company claiming outstanding property tax to the tune of INR 1083 lacs and the same was considered as contingent liability. The Company challenged the said demand notices in the Honourable High Court of Telangana ("High Court"). During the previous year, the Honourable High Court has passed an order directing GHMC to reassess the tax dues subject to compliance of applicable laws. The original tax dues stand disposed in view of fresh tax computation within the provision of law. While the Company is awaiting fresh demand notice from GHMC consequent to the order of Honourable High Court, the management has created adequate provision basis its own assessment.

The Company is contesting various claims and demands and the Management believes that its position will likely be upheld in the process and accordingly no expense has been accrued in the standalone financial statements for such claims and demands received as the ultimate outcome of this process will not have a material adverse effect on the Company's standalone financial statements.

Pending resolution of the aforesaid respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect any reimbursements in respect of the above contingent liabilities.

The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

- B.** On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company has made a provision for provident fund contribution based on the best estimate during the earlier year. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

## 40 Related parties

### A. List of related parties and nature of relationship

| Name of the related party                      | Nature of relationship  | Country        | % of Holding as at |               |
|--|-------------------------|----------------|--------------------|---------------|
|  |                         |                | 31 March 2024      | 31 March 2023 |
| Supercor Industries Limited (refer note 53(b)) | Joint venture           | Nigeria        | 33%                | 33%           |
| HIL International GmbH (refer note 53(a))      | Wholly owned subsidiary | Germany        | 100%               | 100%          |
| Parador Holding GmbH (refer note 53(a))        | Step-down subsidiary    | Germany        | 100%               | 100%          |
| Parador GmbH                                   | Step-down subsidiary    | Germany        | 100%               | 100%          |
| Parador Parkettwerke GmbH                      | Step-down subsidiary    | Austria        | 100%               | 100%          |
| Parador UK Ltd                                 | Step-down subsidiary    | United Kingdom | 100%               | 100%          |
| Parador (Shanghai) Trading Co., Ltd.           | Joint venture           | China          | 50%                | 50%           |

| Name of the related party             | Nature of relationship   |
|---------------------------------------|--|
| <b>Key Management Personnel (KMP)</b> |  |
| Mr. Dhirup Roy Choudhary              | Managing Director & Chief Executive Officer ("CEO") (till 31 January 2023)                                       |
| Mr. Akshat Seth                       | Chief Executive Officer ("CEO") (w.e.f. 01 February 2023) and Managing Director ("MD") (w.e.f. 11 February 2023) |
| Mr. KR Veerappan                      | Chief Financial Officer (till 10 May 2022)   |
| Mr. Saikat Mukhopadhyay               | Chief Financial Officer (w.e.f. 29 July 2022 till 23 July 2023)  |
| Mr. Ajay Kapadia                      | Chief Financial Officer (w.e.f. 24 July 2023)  |
| Mr. Mahesh Thakar                     | Company Secretary and Head - Legal (till 27 January 2023)  |
| Mr. Kamal Saboo                       | Company Secretary and Head - Legal (w.e.f. 15 July 2023 till 01 September 2023)                                  |
| Ms. Nidhi Bisaria                     | Company Secretary (w.e.f. 02 September 2023)   |



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 40 Related parties (Contd.)

### A. List of related parties and nature of relationship (Contd.)

| Name of the related party   | Nature of relationship                     |
|---|--|
| <b>Non-Executive Directors and Independent Directors</b>              |  |
| Mr. Chandra Kant Birla  | Chairman (Non-Executive Director)          |
| Mr. Desh Deepak Khetrpal  | Non-Executive Director                     |
| Mrs. Gauri Rasgotra   | Independent Director                       |
| Mr. V.V. Ranganathan  | Independent Director (till 18 March 2024)  |
| Mr. Sunil Ramakant Bhumralkar   | Independent Director (w.e.f 18 March 2024) |
| Dr. Arvind Sahay  | Independent Director                       |
| <b>List of other related parties with whom there are transactions</b> |  |
| Birla Buildings Limited   | Other related parties                      |
| CK Birla Corporate Services Limited                                   | Other related parties                      |
| GMMCO Limited   | Other related parties                      |
| National Engineering Industries Limited                               | Other related parties                      |
| Orient Cement Limited   | Other related parties                      |
| Orient Electric Limited   | Other related parties                      |
| Orient Paper and Industries Limited                                   | Other related parties                      |
| Central India Industries Limited                                      | Other related parties                      |
| Ms. Avanti Birla  | Relative of KMP                            |
| Amer Investments (Delhi) Limited                                      | Other related parties                      |
| Ashok Investment Corporation Limited                                  | Other related parties                      |
| Hitaishi Investments Limited  | Other related parties                      |
| Hyderabad Agencies Private Limited                                    | Other related parties                      |
| Gwalior Finance Corporation Limited                                   | Other related parties                      |
| Ranchi Enterprises and Properties Limited                             | Other related parties                      |
| Shekhavati Investments and Traders Limited                            | Other related parties                      |
| Universal Trading Company Limited                                     | Other related parties                      |

### B. Transactions with related parties^

| Related party                                     | Nature of transactions                                | 31 March 2024 | 31 March 2023 |
|---|---|---------------|---------------|
| Non-Executive Directors and Independent Directors | Sitting fees, reimbursements and commission           | 177.00        | 178.00        |
| Managing Director and Chief Executive Officer     |   |               |               |
| - Mr. Dhirup Roy Choudhary                        | Managerial remuneration                               |               |               |
|   | - Remuneration*                                       | -             | 464.35        |
|   | - Perquisite value of ESOPs exercised during the year | -             | 303.50        |
|   | - Gratuity  | -             | 20.00         |
|   | - Compensated absences                                | -             | 32.47         |
|   | Dividend Paid   | -             | 18.17         |
| - Mr. Akshat Seth                                 | Managerial remuneration***                            |               |               |
|   | - Remuneration*                                       | 735.61        | 121.44        |
|   | - Long term incentives                                | 126.00        | -             |
|   | - Gratuity  | 7.16          | 1.83          |
|   | - Compensated absences                                | 6.34          | -             |
| Chief Financial Officer                           |   |               |               |
| - Mr. KR Veerappan                                | Salaries*   | -             | 46.44         |
|   | Gratuity  | -             | 20.00         |
|   | Compensated absences                                  | -             | 20.66         |
| - Mr. Saikat Mukhopadhyay                         | Salaries*   | 67.04         | 173.00        |
|   | Gratuity  | -             | 2.31          |
|   | Compensated absences                                  | -             | 2.28          |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 40 Related parties (Contd.)

### B. Transactions with related parties^ (Contd.)

| Related party                              | Nature of transactions            | 31 March 2024 | 31 March 2023 |
|--|-----------------------------------|---------------|---------------|
| -Mr. Ajay Kapadia                          | Salaries*                         | 94.09         | -             |
|  | Long term incentives              | 21.50         | -             |
|  | Gratuity                          | 15.92         | -             |
|  | Compensated absences              | 11.96         | -             |
| Company Secretary                          |                                   |               |               |
| - Mr. Mahesh Thakar                        | Salaries*                         | -             | 55.09         |
|  | Compensated absences              | -             | 2.86          |
| - Mr. Kamal Saboo                          | Salaries*                         | 8.51          | -             |
|  | Gratuity                          | 0.90          | -             |
|  | Compensated absences              | 1.15          | -             |
| - Ms. Nidhi Bisaria                        | Salaries*                         | 31.39         | -             |
|  | Gratuity                          | 6.04          | -             |
|  | Compensated absences              | 0.52          | -             |
| Mr. Chandra Kant Birla                     | Dividend Paid                     | 20.55         | 33.39         |
| Ms. Avanti Birla                           | Salaries*                         | 171.16        | 126.48        |
|  | Gratuity                          | 4.65          | 2.79          |
|  | Compensated absences              | 6.73          | 2.55          |
|  | Long term incentives              | 44.48         | -             |
| Parador GmbH, Germany                      | Purchase of goods                 | 15.81         | -             |
| HIL International GmbH, Germany            | Interest income on loan           | 864.12        | 659.76        |
|  | Interest received on loan         | -             | 21.78         |
|  | Commission on Corporate Guarantee | 73.36         | -             |
|  | Loans given ^^                    | 3,641.30      | 1,606.20      |
|  | Loans repaid ^^                   | -             | 1,684.35      |
| GMMCO Limited                              | Purchase of goods                 | 35.50         | 24.61         |
|  | Purchase of services              | 6.41          | 6.97          |
| Orient Electric Limited                    | Purchase of goods                 | -             | 6.36          |
| National Engineering Industries Limited    | Rent paid                         | 28.87         | 139.35        |
|  | Reimbursements                    | 32.67         | 22.24         |
| Birla Buildings Limited                    | Rent paid                         | 0.29          | 0.34          |
|  | Rent received                     | 0.03          | 0.04          |
|  | Purchase of services              | 32.12         | 32.94         |
|  | Reimbursements                    | 10.74         | 24.88         |
|  | Dividend received                 | 0.25          | 0.38          |
| CK Birla Corporate Services Limited        | Professional services received    | 750.18        | 613.15        |
|  | Brand usage charges               | 81.84         | 116.43        |
|  | Reimbursements                    | -             | 17.70         |
| Orient Paper and Industries Limited        | Rent received                     | 54.66         | 66.04         |
|  | Sale of finished goods            | 6.59          | 12.80         |
|  | Dividend paid                     | 362.54        | 589.13        |
|  | Rent paid                         | 114.09        | -             |
| Orient Cement Limited                      | Rent received                     | 69.46         | 81.84         |
|  | Sales of finished goods           | 0.51          | 2.04          |
| Central India Industries Limited           | Dividend paid                     | 429.85        | 698.51        |
| Amer Investments (Delhi) Limited           | Dividend paid                     | 123.51        | 200.70        |
| Ashok Investment Corporation Limited       | Dividend paid                     | 127.10        | 206.53        |
| Hitaishi Investments Limited               | Dividend paid                     | 26.83         | 43.59         |
| Hyderabad Agencies Private Limited         | Dividend paid                     | 1.64          | 2.67          |
| Gwalior Finance Corporation Limited        | Dividend paid                     | 38.48         | 62.53         |
| Ranchi Enterprises and Properties Limited  | Dividend paid                     | 1.80          | 2.93          |
| Shekhavati Investments and Traders Limited | Dividend paid                     | 89.79         | 145.91        |
| Universal Trading Company Limited          | Dividend paid                     | 1.60          | 2.60          |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 40 Related parties (Contd.)

### C. Balances outstanding<sup>^</sup> (Contd.)

| Related party  | Details                                 | 31 March 2024 | 31 March 2023 |
|--|---|---------------|---------------|
| Supercor Industries Limited, Nigeria                           | Dividend receivable on investments #    | 9.01          | 9.01          |
| Non-Executive Directors and Independent Directors              | Commission                              | 105.00        | 120.00        |
| Managing Director and Chief Executive Officer -Mr. Akshat Seth | Managerial remuneration***              |               |               |
|  | - Remuneration*                         | 201.18        | 35.67         |
|  | - Gratuity                              | 8.99          | -             |
|  | - Compensated absences                  | 8.17          | 1.83          |
|  | - Long term incentives                  | 126.00        | -             |
| Chief Financial Officer  |   |               |               |
| -Mr. Saikat Mukhopadhyay                                       | Salaries*                               | -             | 18.85         |
|  | Gratuity                                | -             | 2.31          |
|  | Compensated absences                    | -             | 2.28          |
| -Mr. Ajay Kapadia  | Salaries*                               | 16.77         | -             |
|  | Long term incentives                    | 21.50         | -             |
|  | Gratuity                                | 15.92         | -             |
|  | Compensated absences                    | 11.96         | -             |
| Company Secretary  |   |               |               |
| -Ms. Nidhi Bisaria   | Salaries*                               | 3.21          | -             |
|  | Gratuity                                | 6.04          | -             |
|  | Compensated absences                    | 0.52          | -             |
| Ms. Avanti Birla   | Salaries*                               | 31.32         | -             |
|  | Gratuity                                | 7.45          | 2.79          |
|  | Compensated absences                    | 9.28          | 2.55          |
|  | Long term incentives                    | 44.48         | -             |
| Parador GmbH, Germany  | Trade payable                           | 15.81         | -             |
| HIL International GmbH, Germany**                              | Loan given                              | 12,136.08     | 8,499.34      |
|  | Interest accrued on loan given          | 2,060.87      | 1,190.37      |
|  | Commission on Corporate Guarantee       | 73.36         | -             |
|  | Guarantee given on behalf of subsidiary | 24,637.10     | -             |
| GMMCO Limited  | Trade payable                           | 13.85         | 2.03          |
| Birla Buildings Limited  | Rent payable                            | 0.45          | 1.53          |
|  | Rent receivable                         | 0.04          | -             |
| CK Birla Corporate Services Limited                            | Trade payables                          | 87.31         | 32.66         |
| Orient Cement Limited  | Trade receivable                        | -             | 0.02          |
| Orient Paper & Industries Limited                              | Rent receivable                         | 3.89          | -             |
| National Engineering Industries Limited                        | Reimbursements                          | 2.25          | 0.17          |

# During earlier year, the Company made provision for the dividend receivable amounting to INR 9.01 lacs from Supercor Industries Limited ("Supercor") as the receipt of same is considered to be doubtful. Further, the Company has also made provision for value of investment in Supercor in the books of account amounting to INR 142.60 lacs.

\* Payment of insurance costs are made for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above.

\*\*\*The remuneration paid / payable by the Company to its Managing Director and Chief Executive Officer during the current year is INR 854.11 lacs. The limit on such remuneration prescribed under Section 197 read with Schedule V to the Companies Act, 2013 ("the Act") is INR 578.39 lacs. The excess remuneration is primarily attributable to the value of performance incentive and long-term cash incentive payable to the Managing Director and Chief Executive Officer for the current year. The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for the same by way of special resolution in accordance with the requirements of the Act. As per management's assessment, the approval from shareholders for excess remuneration is probable.

\*\* The related party loan given to HIL International GmbH, Germany in the earlier year, was for the purpose of partly financing the acquisition of 100% shareholding of Parador Holding GmbH, Germany. The outstanding loan amount is repayable in three instalments starting 16 August 2027 upto 16 August 2029. The said loan carries an interest rate of 8% p.a. (31 March 2023: 8% p.a.).

^^ During the year, the Company has given a loan and a corporate guarantee (CG) at a commission of 0.50% p.a on the outstanding CG amount to HIL International GmbH, Germany. Refer note 54.

^ Disclosures are including (Goods and Services Tax) GST, wherever applicable.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 41 Details of dues to Micro Enterprises and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information as required under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

| Particulars  | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| (a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [(including INR 174.84 lacs shown under capital creditors (31 March 2023: INR 162.68 lacs) and INR 54.74 lacs (31 March 2023: INR 66.08 lacs) shown under liabilities on business acquisition] | 2,298.41      | 2,431.76      |
| (b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;*  | 0.67          | Nil           |
| (c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;  | Nil           | Nil           |
| (d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;  | Nil           | Nil           |
| (e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and  | Nil           | Nil           |
| (f) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.         | Nil           | Nil           |

\*It includes interest provision on certain outstanding balances for which settlement is under discussion.

## 42 Share based payments

### A. Description of share-based payment arrangements

*Employee stock option scheme (equity-settled)*

The Company provides share-based payment schemes to its eligible employees as identified in the employee stock option schemes. The relevant details of these schemes and the grants are as below:

On 12 August 2019, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2019 (ESOP scheme 2019) for issue of stock options to identified employees of the Company.

On 27 January 2023, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2023 (ESOP scheme 2023) for issue of stock options to identified employees of the Company. Subsequently, the scheme was approved by the Shareholders of the Company on 04 April 2023, through Postal Ballot process.

According to the scheme, eligible employees identified by the Nomination and Remuneration cum Compensation Committee are entitled to options, subject to satisfaction of the prescribed vesting conditions.

The relevant terms of the grant as mentioned in the ESOP scheme 2019 and ESOP scheme 2023 are as below:

| Particulars                   | ESOP scheme 2023   |                       |                       | ESOP scheme 2019    |
|-------------------------------|--------------------|-----------------------|-----------------------|---------------------|
|                               | Grant I            | Grant II              | Grant III             | Grant I             |
| Date of grant                 | 15 July 2023       | 19 October 2023       | 19 October 2023       | 14 October 2019     |
| Number of options outstanding | 56054              | 1742                  | 7860                  | -                   |
| Vesting period                | 40% - 16 July 2024 | 40% - 19 October 2024 | 40% - 19 October 2025 | 40% - end of year 3 |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 42 Share based payments (Contd.)

### A. Description of share-based payment arrangements (Contd.)

| Particulars                         | ESOP scheme 2023                             |  |  | ESOP scheme 2019                             |
|-------------------------------------|--|--|--|--|
|                                     | Grant I                                      | Grant II                                     | Grant III                                    | Grant I                                      |
|                                     | 60% - 01 April 2025                          | 60% - 19 October 2025                        | 60% - 19 October 2026                        | 60% - end of year 4                          |
| Exercise period                     | 4 years from the respective dates of vesting | 4 years from the respective dates of vesting | 4 years from the respective dates of vesting | 4 years from the respective dates of vesting |
| Exercise price (INR)                | 2,999.50                                     | 2,931.00                                     | 2,931.00                                     | 1,234.15                                     |
| Weighted average market price (INR) | 1,075.72                                     | 1,171.22                                     | 1,302.37                                     | 1,234.15                                     |

### B. Measurement of fair values

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

#### As at 31 March 2023

| Particulars   | ESOP scheme 2019 |
|---|------------------|
|   | Grant I          |
|   | Tranche 2        |
| Grant date  | 14 October 2019  |
| Fair value at grant date (INR)                      | 470.38           |
| Exercise price (INR)                                | 1234.15          |
| Expected volatility (weighted average volatility)   | 37.89%           |
| Risk-free interest rate (based on government bonds) | 6.56%            |
| Time to maturity (in years)                         | 5.00             |
| Expected dividends yields                           | 2.05%            |

#### As at 31 March 2024

| Particulars   | ESOP scheme 2023 |           |                 |           |                 |           |
|---|------------------|-----------|-----------------|-----------|-----------------|-----------|
|   | Grant I          |           | Grant II        |           | Grant III       |           |
|   | Tranche 1        | Tranche 2 | Tranche 1       | Tranche 2 | Tranche 1       | Tranche 2 |
| Grant date  | 15 July 2023     |           | 19 October 2023 |           | 19 October 2023 |           |
| Fair value at grant date (INR)                      | 1,075.72         | 1,075.72  | 1,171.22        | 1,171.22  | 1,302.37        | 1,302.37  |
| Exercise price (INR)                                | 2,999.50         | 2,999.50  | 2,931.00        | 2,931.00  | 2,931.00        | 2,931.00  |
| Expected volatility (weighted average volatility)   | 41.25%           | 46.84%    | 45.35%          | 45.35%    | 44.48%          | 44.48%    |
| Risk-free interest rate (based on government bonds) | 6.91%            | 6.93%     | 7.28%           | 7.28%     | 7.30%           | 7.30%     |
| Time to maturity (in years)                         | 5.00             | 5.72      | 5.00            | 6.00      | 6.00            | 7.00      |
| Expected dividends yields                           | 1.79%            | 1.79%     | 0.85%           | 0.85%     | 0.85%           | 0.85%     |

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The weighted average remaining contractual life for the stock options outstanding is 4.90 years (31 March 2023: 4.54 years).

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 42 Share based payments (Contd.)

### C. Reconciliation of outstanding share options

The details of activity under "ESOP scheme 2019 and ESOP scheme 2023" are summarised below:

| Particulars                              | 31 March 2024  | 31 March 2023  |
|--|----------------|----------------|
|  | No. of options | No. of options |
| Outstanding at the beginning of the year | 3,336          | 70,411         |
| Granted during the year                  | 6,5656         | -              |
| Cancelled during the year*               | -              | 4,3415         |
| Vested and exercised during the year     | 3,336          | 2,3660         |
| Outstanding at the end of the year       | 6,5656         | 3336           |

\* cancelled stock options lies in pool account for future grants.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2024 was INR 2809.20 per share (31 March 2023: INR 2618.71 per share).

### D. Expense recognised in the standalone statement of profit and loss

During the previous year, on account of resignation of few eligible employees to the ESOP scheme 2019, the Company has cancelled the shares granted to them. The expense recognised till the date of resignation for such ESOPs have been reversed in the Statement of profit and loss. For details of the related employee benefits expense, refer note 28.

## 43 Service concession arrangement

On 21 March 2011, the Company entered into a service concession agreement with Gujarat Urja Vikas Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 18 April 2011. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 1.8 MW wind power plant at village Vandhiya, Gujarat for a period of 25 years at a fixed rate of INR 3.56 per kwh for delivered energy as certified by state electricity authority of Gujarat state load dispatch center ("SLDC"), starting from 18 April 2011 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

On 24 September 2014, the Company entered into a service concession agreement with Ajmer Vidyut Vitran Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 30 September 2014. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 2 MW wind power plant at village Rajgarh, district Jaisalmer for a period of 25 years at a fixed rate of INR 5.31 per kwh for the delivered energy conforming the standards as approved by Rajasthan Electricity Regulatory Commission ("RERC"), starting from 30 September 2014 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

The Company recognised service concession arrangement with Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited under intangible asset model, on the basis that the Company will receive variable amount of revenue from the respective DISCOMs in Gujarat and Rajasthan depending upon the actual amount of electricity generated and supplied to the respective DISCOMs. The DISCOMs has not assured any minimum amount of proceeds to the Company. The Company bears the demand risk and the right to receive cash from the DISCOMs is not unconditional i.e. it depends upon the actual amount of electricity generated and supplied to the DISCOMs.

The service concession agreements with the Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited does not contain a renewal option. The standard rights of the grantor to terminate the agreement in both the arrangements include poor performance by the Company and the event of a material breach of the terms of the agreement by the Company. The standard rights of the Company to terminate the agreement in both the arrangements include failure of the grantor to make payment under the agreement and a material breach by the grantor of the terms of the agreement.

During the year, the Company has recorded revenue of INR 220.62 lacs (31 March 2023: INR 225.48 lacs) on generation of power, and recorded profit of INR 39.81 lacs (31 March 2023: INR 69.89 lacs ).

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 44 Leases - In the capacity of lessor

The Company has given certain properties under non-cancellable leases to various parties. The Company has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Following are the details of future minimum lease receivables under the agreements:

| Particulars                                       | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Not later than one year                           | 462.37        | 410.31        |
| Later than one year and not later than five years | 276.41        | 585.24        |
| Later than five years                             | -             | -             |

## 45 Capital management

The Company aims to maintain a strong capital base so as to maintain the confidence of all stakeholders and to sustain future development of the business.

In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt represents non-current borrowings and current borrowings.

The Company's total debt to equity ratio at the reporting dates were as follows:

| Particulars                                   | 31 March 2024      | 31 March 2023      |
|---|--------------------|--------------------|
| Total debt                                    | 31,309.91          | 11,713.32          |
| <b>Total debt (A)</b>                         | <b>31,309.91</b>   | <b>11,713.32</b>   |
| Total equity                                  | 1,19,076.26        | 1,11,418.72        |
| <b>Total equity (B)</b>                       | <b>1,19,076.26</b> | <b>1,11,418.72</b> |
| <b>Total debt to total equity ratio (A/B)</b> | <b>0.26</b>        | <b>0.11</b>        |

## 46 Expenditure incurred on research and development

Revenue expenditure debited to respective heads of accounts includes expenditure incurred on Research and Development during the year amounting to INR 645.76 lacs (31 March 2023: INR 662.89 lacs) and assets / equipment purchased for research activities of INR 124.82 lacs (31 March 2023: INR 41.78 lacs) disclosed under Property, plant and equipment.

## 47 Expenditure during construction period (included in capital work-in-progress)

| Particulars  | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| <b>Balance brought forward (A)</b>                             | -             | <b>20.50</b>  |
| <b>Expenditure incurred during the year</b>                    |               |               |
| Cost of material consumed                                      | -             | 10.82         |
| Employee benefits expense                                      | -             | 40.35         |
| Consumption of stores and spares                               | -             | 8.19          |
| Contract wages   | -             | 10.11         |
| Power and fuel   | -             | 7.48          |
| Printing & stationary  | -             | 0.03          |
| Rent   | -             | 10.31         |
| Rates and taxes  | -             | 1.74          |
| Insurance  | -             | 1.64          |
| Professional, consultancy and legal expenses                   | -             | 7.11          |
| Travelling and conveyance                                      | -             | 8.17          |
| Miscellaneous  | -             | 21.96         |
| <b>Total expenditure during construction period (B)</b>        | -             | <b>127.91</b> |
| Less: Turnover (C)   | -             | 2.33          |
| Less: Stocks of finished goods out of trial run production (D) | -             | 6.15          |
| <b>Total (A+B-C-D)</b>   | -             | <b>139.93</b> |
| Allocated to property, plant and equipment                     | -             | 139.93        |
| Balance carried forward  | -             | -             |



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

**48** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 31 October 2024, as required by law. The Management confirms that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

**49** The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

## 50 Leases - In the capacity of lessee

The following tables summarise the movement in lease liabilities :

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Balance at the beginning                              | 758.48                 | 692.03                 |
| Additions   | 31.18                  | 345.18                 |
| Interest expenses                                     | 48.13                  | 62.49                  |
| Deletions   | -                      | (28.36)                |
| Repayment of principal and interest lease liabilities | (323.30)               | (312.86)               |
| <b>Balance at the end</b>                             | <b>514.49</b>          | <b>758.48</b>          |

As at balance sheet date, the Company is not exposed to future cash flows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Company has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Company has incurred following expenses relating to short-term leases for which the recognition exemption has been applied (refer note 31).

| Particulars  | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Expenses relating to short term leases (refer note 31) | 710.99                              | 462.20                              |
| Expenses relating to low value leases                  | -                                   | -                                   |

The following are the amounts recognised in standalone statement of profit and loss

| Particulars                         | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation on Right-of-use assets | 308.17                              | 291.56                              |
| Interest expenses                   | 48.13                               | 62.49                               |
|                                     | <b>356.30</b>                       | <b>354.05</b>                       |

Amounts recognised in Statement of Cash flows

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Repayment of principal and interest lease liabilities | 323.30                              | 312.86                              |
|   | <b>323.30</b>                       | <b>312.86</b>                       |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 50 Leases - In the capacity of lessee (Contd.)

Total minimum lease payments are as follows:

| Particulars                                  | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Not later than 1 year                        | 193.36        | 365.67        |
| Later than 1 year and not later than 5 years | 154.18        | 328.62        |
| More than 5 years                            | 1,336.73      | 1,429.88      |

## 51 Other provisions

| Particulars   | Opening balance | Created during the year | Utilised during the year | Closing balance | Current       | Non-current |
|---|-----------------|-------------------------|--------------------------|-----------------|---------------|-------------|
| <b>(i) For the year ended 31 March 2024</b>                       |                 |                         |                          |                 |               |             |
| Provision for employee related other costs [refer note (a) below] | -               | 16.94                   | (3.62)                   | 13.32           | 13.32         | -           |
| Provision for litigations [refer note (b) below]                  | 307.25          | -                       | 53.33                    | 253.92          | 253.92        | -           |
| Provision - others [refer note (c) below]                         | 390.00          | -                       | -                        | 390.00          | 390.00        | -           |
|   | <b>697.25</b>   | <b>16.94</b>            | <b>49.70</b>             | <b>657.24</b>   | <b>657.24</b> | <b>-</b>    |
| <b>(ii) For the year ended 31 March 2023</b>                      |                 |                         |                          |                 |               |             |
| Provision for employee related other costs [refer note (a) below] | 96.50           | 12.20                   | 108.70                   | -               | -             | -           |
| Provision for litigations [refer note (b) below]                  | 307.25          | -                       | -                        | 307.25          | 307.25        | -           |
| Provision - others [refer note (c) below]                         | 390.00          | -                       | -                        | 390.00          | 390.00        | -           |
|   | <b>793.75</b>   | <b>12.20</b>            | <b>108.70</b>            | <b>697.25</b>   | <b>697.25</b> | <b>-</b>    |

(a) The wage agreement at one of the manufacturing locations of the Company is pending as at 31 March 2024.

(b) Provision for litigations represents provision towards potential liability against various ongoing indirect tax cases based on Company's internal assessment.

(c) Provision - others represents provision towards possible obligation against certain past events for which the expected outflow is certain.

## 52 Particulars of hedged foreign currency exposure as at the balance sheet date

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

| Particulars         | Currency | Number of contracts | Amount in foreign currency | Purpose  |
|---------------------|----------|---------------------|----------------------------|--|
| As at 31 March 2024 | USD      | 8                   | 32,24,728                  | For hedging of current and future trade payables |
|                     | USD      | 3                   | 10,13,000                  | For hedging of loan receivables                  |
|                     | EUR      | 2                   | 2,00,000                   | For hedging of current and future trade payables |
|                     | EUR      | 18                  | 1,25,00,000                | For hedging of loan receivables                  |
|                     | EUR/USD  | 1                   | 8,45,000                   | For hedging of loan receivables                  |
| As at 31 March 2023 | USD      | 23                  | 51,90,000                  | For hedging of current and future trade payables |
|                     | USD      | 3                   | 10,13,000                  | For hedging of loan and interest receivables     |
|                     | EUR      | 18                  | 86,78,037                  | For hedging of loan receivables                  |
|                     | EUR/USD  | 1                   | 8,45,000                   | For hedging of loan and interest receivables     |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 53 Investment

### a) Interest in subsidiary

The Company incorporated a wholly owned subsidiary "HIL International GmbH" at Germany on 04 July 2018 which acquired 100% shareholding of Parador Holding GmbH, Germany through sale and purchase agreement dated 11 July 2018 and completed the acquisition on 27 August 2018.

### b) Interest in joint venture

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

| Name of the joint venture company | Country of incorporation | Proportion of ownership interest | For the year ended on | Description of Interest                                  |
|-----------------------------------|--------------------------|----------------------------------|-----------------------|--|
| Supercor Industries Limited       | Nigeria                  | 33%                              | 31 December 2023      | JV established for manufacture of asbestos cement sheets |

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity as at and for the years ended 31 December 2023 and 2022 are as follows:

#### Proportion of Company's interest in a joint venture company

| Particulars                      | 31 March 2024<br>(Unaudited)* | 31 March 2023<br>(Unaudited)* |
|----------------------------------|-------------------------------|-------------------------------|
| <b>Assets</b>                    |                               |                               |
| Non-current assets               | -                             | -                             |
| Current assets                   | -                             | -                             |
| <b>Liabilities</b>               |                               |                               |
| Non-current liabilities          | -                             | -                             |
| Current liabilities              | -                             | -                             |
| <b>Income</b>                    |                               |                               |
| Revenue from operations          | -                             | -                             |
| Other income                     | -                             | -                             |
| <b>Expenses</b>                  |                               |                               |
| Raw materials consumed           | -                             | -                             |
| Manufacturing and other expenses | -                             | -                             |
| Interest and financial charges   | -                             | -                             |
| Depreciation expense             | -                             | -                             |
| Provision for tax                | -                             | -                             |
| Proposed dividend                | -                             | -                             |
| Contingent liabilities           | -                             | -                             |
| Capital commitments              | -                             | -                             |

\* Data not available. Refer note (c) below

During the year ended 31 March 2024 and 31 March 2023, the Company did not receive any dividend from Supercor Industries Limited.

- c) The Company in financial year 1979-80 had invested in Supercor Industries Limited, Nigeria ("Supercor"). Supercor suspended its operations from November 2015 and closed its offices because of which it has not prepared any financial statements since then. Therefore, the Company has been unable to incorporate the requisite financial information, if any, of Supercor in its consolidated financial statements as required under Section 129(3) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's investment in Supercor as at 31 March 2024 amounts to INR NIL (31 March 2023: INR NIL), after considering the provision for diminution in value of investments amounting to INR 142.60 lacs (31 March 2023: INR 142.60 lacs). During the previous year, on the basis of the request filed by the Company, an intimation was received from Reserve Bank of India for suspension of the Unique Identification Number allotted to Supercor. The Management does not foresee any future liability on account of any claim, with respect to Supercor over and above the amount invested in Supercor.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 54 Disclosures pertaining to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

- a) The Company has made investment in the following Companies:

| Entity                                  | As at<br>31 March 2023 | Allotment /<br>purchases<br>during the year | Sold<br>during<br>the year | Provision<br>for<br>diminution | As at<br>31 March 2024 |
|---|------------------------|---|----------------------------|--------------------------------|------------------------|
| <b>Investment in equity instruments</b> |                        |   |                            |                                |                        |
| HIL International GmbH, Germany         | 27,346.24              | -   | -                          | -                              | 27,346.24              |
| Supercor Industries Limited, Nigeria    | -                      | -   | -                          | -                              | -                      |
| (refer note 53 (c))                     |                        |   |                            |                                |                        |

| Entity                                  | As at<br>31 March 2022 | Allotment /<br>purchases<br>during the year | Sold<br>during<br>the year | Provision<br>for<br>diminution | As at<br>31 March 2023 |
|---|------------------------|---|----------------------------|--------------------------------|------------------------|
| <b>Investment in equity instruments</b> |                        |   |                            |                                |                        |
| HIL International GmbH, Germany         | 27,346.24              | -   | -                          | -                              | 27,346.24              |
| Supercor Industries Limited, Nigeria    | -                      | -   | -                          | -                              | -                      |
| (refer note 53 (c))                     |                        |   |                            |                                |                        |

- b) The Company has given unsecured interest bearing loans to its following subsidiary (details are excluding interest accrued but not due) :

| Entity                             | As at<br>31 March 2023 | Given /<br>(repaid) during<br>the year** | Impact of<br>foreign<br>exchange<br>translation | As at<br>31 March 2024* | Maximum<br>balance<br>outstanding<br>during the year |
|------------------------------------|------------------------|--|---|-------------------------|--|
| HIL International GmbH,<br>Germany | 8,499.34               | 3,641.30                                 | (4.56)  | 12,136.08               | 12,427.08  |

| Entity                             | As at<br>31 March 2022 | Given /<br>(repaid) during<br>the year | Impact of<br>foreign<br>exchange<br>translation | As at<br>31 March 2023* | Maximum<br>balance<br>outstanding<br>during the year |
|------------------------------------|------------------------|--|---|-------------------------|--|
| HIL International GmbH,<br>Germany | 7,994.60               | -                                      | 504.74  | 8,499.34                | 10,105.54  |

\*Restated at the closing conversion rate as the loan was given in foreign currency.

The above loan given to HIL International GmbH, Germany was for the purpose of partly financing acquisition of 100% shareholding of Parador Holding GmbH, Germany. The outstanding loan amount is repayable in three instalments starting 16 August 2027 upto 16 August 2029. The said loan carries an interest rate of 8% p.a. (31 March 2023: 8% p.a.).

\*\* During the previous year, the Company has given a loan to HIL International GmbH, Germany amounting to INR 1606 lacs for regular business purpose, which was repaid fully during the year. The said loan carried an interest rate of 8% p.a.

The Company has given a long-term loan of Euro 4 million (INR 3641.30 lacs) to its wholly owned subsidiary (WOS) HIL International GmbH, Germany on 14 August 2023 for the purpose of meeting its financial requirements especially the working capital requirements. The same is outstanding as at the year end. The said loan carries an interest rate of 8% p.a.

During the year ended 31 March 2024, the Company has issued a corporate guarantee (CG) of Euro 33.705 million at a commission of 0.50% p.a on the outstanding CG amount, in favour of its WOS, in respect of the loan taken by WOS from ICICI bank UK PLC, Germany.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 55 Financial instruments - fair values and risk management

### A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2024

| Particulars                                      | Notes | Carrying amount |       |  |  |                       | Fair value |         |         |           |  |
|--|-------|-----------------|-------|--|--|-----------------------|------------|---------|---------|-----------|--|
|  |       | FVTPL           | FVOCI | Other financial assets -amortised cost | Other financial liabilities - amortised cost | Total carrying amount | Level 1    | Level 2 | Level 3 | Total     |  |
| Financial assets measured at fair value          |       |                 |       |  |  |                       |            |         |         |           |  |
| Derivative assets                                | 10    | 777.28          | -     | -                                      | -  | 777.28                | -          | 777.28  | -       | 777.28    |  |
| Investments in mutual funds                      | 7     | 10,229.38       | -     | -                                      | -  | 10,229.38             | 10,229.38  | -       | -       | 10,229.38 |  |
| Investments in equity instruments                | 7     | -               | 33.73 | -                                      | -  | 33.73                 | -          | -       | 33.73   | 33.73     |  |
|  |       | 11,006.66       | 33.73 | -                                      | -  | 11,040.39             | 10,229.38  | 777.28  | 33.73   | 11,040.39 |  |
| Financial assets not measured at fair value      |       |                 |       |  |  |                       |            |         |         |           |  |
| Trade receivables                                | 8     | -               | -     | 13,512.25                              | -  | 13,512.25             |            |         |         |           |  |
| Loans  | 9     | -               | -     | 12,136.08                              | -  | 12,136.08             |            |         |         |           |  |
| Other financial assets                           | 10    | -               | -     | 3,661.80                               | -  | 3,661.80              |            |         |         |           |  |
| Cash and cash equivalents                        | 13    | -               | -     | 6,846.25                               | -  | 6,846.25              |            |         |         |           |  |
| Other bank balances                              | 14    | -               | -     | 91.83                                  | -  | 91.83                 |            |         |         |           |  |
|  |       | -               | -     | 36,248.21                              | -  | 36,248.21             |            |         |         |           |  |
| Financial liabilities not measured at fair value |       |                 |       |  |  |                       |            |         |         |           |  |
| Borrowings                                       | 17    | -               | -     | -                                      | 31,309.91                                    | 31,309.91             |            |         |         |           |  |
| Lease liabilities                                | 18    | -               | -     | -                                      | 5,14.49                                      | 514.49                |            |         |         |           |  |
| Trade payables                                   | 19    | -               | -     | -                                      | 23,797.93                                    | 23,797.93             |            |         |         |           |  |
| Other financial liabilities                      | 20    | -               | -     | -                                      | 11,263.97                                    | 11,263.97             |            |         |         |           |  |
|  |       | -               | -     | -                                      | 66,886.30                                    | 66,886.30             |            |         |         |           |  |

The fair value of investments in equity instruments, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments. Investments in mutual funds, which are classified as FVTPL are measured using net asset value at the reporting date multiplied by the quantity held.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 55 Financial instruments - fair values and risk management (Contd.)

### A. Accounting classifications and fair values (Contd.)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2023

| Particulars                                      | Notes | Carrying amount |       |  |  | Fair value            |         |          |         |          |
|--|-------|-----------------|-------|--|--|-----------------------|---------|----------|---------|----------|
|  |       | FVTPL           | FVOCI | Other financial assets -amortised cost | Other financial liabilities - amortised cost | Total carrying amount | Level 1 | Level 2  | Level 3 | Total    |
| Financial assets measured at fair value          |       |                 |       |  |  |                       |         |          |         |          |
| Derivative assets                                | 10    | 1,782.78        | -     | -                                      | -  | 1,782.78              | -       | 1,782.78 | -       | 1,782.78 |
| Investments in equity instruments                | 7     | -               | 33.66 | -                                      | -  | 33.66                 | -       | -        | 33.66   | 33.66    |
|  |       | 1,782.78        | 33.66 | -                                      | -  | 1,816.44              | -       | 1,782.78 | 33.66   | 1,816.44 |
| Financial assets not measured at fair value      |       |                 |       |  |  |                       |         |          |         |          |
| Trade receivables                                | 8     | -               | -     | 11,016.64                              | -  | 11,016.64             | -       | -        | -       | -        |
| Loans  | 9     | -               | -     | 8,499.34                               | -  | 8,499.34              | -       | -        | -       | -        |
| Other financial assets                           | 10    | -               | -     | 2,643.85                               | -  | 2,643.85              | -       | -        | -       | -        |
| Cash and cash equivalents                        | 13    | -               | -     | 953.39                                 | -  | 953.39                | -       | -        | -       | -        |
| Other bank balances                              | 14    | -               | -     | 86.31                                  | -  | 86.31                 | -       | -        | -       | -        |
|  |       | -               | -     | 23,199.53                              | -  | 23,199.53             | -       | -        | -       | -        |
| Financial liabilities measured at fair value     |       |                 |       |  |  |                       |         |          |         |          |
| Derivative liabilities                           | 20    | 7.27            | -     | -                                      | -  | 7.27                  | -       | 7.27     | -       | 7.27     |
|  |       | 7.27            | -     | -                                      | -  | 7.27                  | -       | 7.27     | -       | 7.27     |
| Financial liabilities not measured at fair value |       |                 |       |  |  |                       |         |          |         |          |
| Borrowings                                       | 17    | -               | -     | -                                      | 11,713.32                                    | 11,713.32             | -       | -        | -       | -        |
| Lease liabilities                                | 18    | -               | -     | -                                      | 758.48                                       | 758.48                | -       | -        | -       | -        |
| Trade payables                                   | 19    | -               | -     | -                                      | 23,426.60                                    | 23,426.60             | -       | -        | -       | -        |
| Other financial liabilities                      | 20    | -               | -     | -                                      | 11,344.07                                    | 11,344.07             | -       | -        | -       | -        |
|  |       | -               | -     | -                                      | 47,242.47                                    | 47,242.47             | -       | -        | -       | -        |

The fair value of investments in equity instruments, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 55 Financial instruments - fair values and risk management (Contd.)

### B. Measurement of fair values

#### i. Valuation technique and significant unobservable inputs

Derivative assets / liabilities: The fair value is determined using forward exchange rates at the reporting date and present value calculations based on high credit quality yield curve in the respective currencies.

Investment in equity instruments: The fair value is determined based on the value determined as per discounted cash flows approach as on the reporting date.

#### ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2023-24 and no transfers in either direction in 2022-23.

#### iii. Level 3 fair values

| Particulars                           | FVOCI Equity securities |
|---------------------------------------|-------------------------|
| Balance at 01 April 2022              | 34.24                   |
| Net change in fair value (unrealised) | (0.58)                  |
| <b>Balance at 31 March 2023</b>       | <b>33.66</b>            |
| Balance at 01 April 2023              | 33.66                   |
| Net change in fair value (unrealised) | 0.07                    |
| <b>Balance at 31 March 2024</b>       | <b>33.73</b>            |

#### Sensitivity analysis

For the fair values of FVOCI equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

| Particulars                        | OCI, net of tax |          |
|------------------------------------|-----------------|----------|
|                                    | Increase        | Decrease |
| <b>2023-24</b>                     |                 |          |
| Annual growth rate (2.5% movement) | 151.60          | (13.78)  |
| <b>2022-23</b>                     |                 |          |
| Annual growth rate (2.5% movement) | 151.26          | (13.19)  |

### C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Liquidity risk
- Market risk
- Credit risk

#### Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and deployment of risk management framework. The Board of Directors has adopted a Risk Policy, which empowers the management to access and monitoring the risk management parameters along with action taken and the same is updated to Board of Directors.

The Company's risk management policies are established to identify and analyse the risks being faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 55 Financial instruments - fair values and risk management (Contd.)

### C. Financial risk management (Contd.)

the risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

#### a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As disclosed in Note 17, the Company has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Company to repay the loan earlier than indicated. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to the Management to ensure compliance with the agreement.

The interest payments on variable interest rate loans reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts reflect the principal amounts that are gross and undiscounted, and exclude the impact of netting agreements.

31 March 2024

| Particulars  | Carrying amount  | Contractual Cash flows |                  |                 |                 |                   |
|--|------------------|------------------------|------------------|-----------------|-----------------|-------------------|
|  |                  | Total                  | Upto 1 year      | 1-2 years       | 2-5 years       | More than 5 years |
| <b>Non-derivative financial liabilities</b>                            |                  |                        |                  |                 |                 |                   |
| Interest free sales tax loan - secured                                 | 1,291.27         | 1,355.81               | 1,355.81         | -               | -               | -                 |
| Term loan from banks including interest accrued but not due            | 12,003.95        | 12,003.95              | 803.95           | 2,800.00        | 8,400.00        | -                 |
| Working capital loan from banks including interest accrued but not due | 18,014.69        | 18,014.69              | 18,014.69        | -               | -               | -                 |
| Trade payables   | 23,797.93        | 23,797.93              | 23,797.93        | -               | -               | -                 |
| Liabilities on business acquisition                                    | 54.74            | 58.06                  | 25.00            | 33.06           | -               | -                 |
| Capital creditors  | 1,154.89         | 1,154.89               | 1,154.89         | -               | -               | -                 |
| Unpaid dividend  | 79.69            | 79.69                  | 79.69            | -               | -               | -                 |
| Security deposits  | 4,502.94         | 4,502.94               | 4,502.94         | -               | -               | -                 |
| Contract liabilities   | 3,528.32         | 3,528.32               | 3,528.32         | -               | -               | -                 |
| Other financial liabilities  | 1,943.39         | 1,943.39               | 1,943.39         | -               | -               | -                 |
|  | <b>66,371.81</b> | <b>66,439.67</b>       | <b>55,206.61</b> | <b>2,833.06</b> | <b>8,400.00</b> | <b>-</b>          |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 55 Financial instruments - fair values and risk management (Contd.)

### C. Financial risk management (Contd.)

#### a) Liquidity risk (Contd.)

*Exposure to liquidity risk (Contd.)*

31 March 2023

| Particulars  | Carrying amount  | Contractual Cash flows |                  |                 |           |                   |
|--|------------------|------------------------|------------------|-----------------|-----------|-------------------|
|  |                  | Total                  | Upto 1 year      | 1-2 years       | 2-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b>                            |                  |                        |                  |                 |           |                   |
| Interest free sales tax loan - secured                                 | 1,187.80         | 1,355.81               | -                | 1,355.81        | -         | -                 |
| Sales tax deferment loan - unsecured                                   | 4.98             | 4.98                   | 4.98             | -               | -         | -                 |
| Working capital loan from banks including interest accrued but not due | 10,520.54        | 10,520.54              | 10,520.54        | -               | -         | -                 |
| Trade payables   | 23,426.60        | 23,426.60              | 23,426.60        | -               | -         | -                 |
| Liabilities on business acquisition                                    | 66.08            | 74.12                  | 49.12            | 25.00           | -         | -                 |
| Capital creditors  | 1,149.56         | 1,149.56               | 1,149.56         | -               | -         | -                 |
| Unpaid dividend  | 85.31            | 85.31                  | 85.31            | -               | -         | -                 |
| Security deposits  | 4,527.22         | 4,527.22               | 4,527.22         | -               | -         | -                 |
| Contract liabilities   | 3,722.63         | 3,722.63               | 3,722.63         | -               | -         | -                 |
| Other financial liabilities  | 1,793.27         | 1,793.27               | 1,793.27         | -               | -         | -                 |
|  | <b>46,483.99</b> | <b>46,660.04</b>       | <b>45,279.23</b> | <b>1,380.81</b> | <b>-</b>  | <b>-</b>          |
| <b>Derivative financial liabilities</b>                                |                  |                        |                  |                 |           |                   |
| Derivative liabilities   | 7.27             | 7.27                   | 7.27             | -               | -         | -                 |
|  | <b>7.27</b>      | <b>7.27</b>            | <b>7.27</b>      | <b>-</b>        | <b>-</b>  | <b>-</b>          |

#### b) Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage market risks.

##### i) Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The functional currency for the Company is Indian Rupees. The currencies in which these transactions are primarily denominated is US dollars and Euros. The Company does not enter into any derivative instruments for trading or speculative purposes.

Currency risks related to the principal amounts of the Company's US dollar trade payables and Euro loan and interest receivables have been hedged using forward contracts that mature on or before the same dates as the payables and receivables are due for repayment. These contracts are designated as derivatives.

Generally, borrowings are denominated in currencies that matter the cash flows generated by the underlying operations of the Company. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore, hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 55 Financial instruments - fair values and risk management (Contd.)

### C. Financial risk management (Contd.)

#### b) Market risk (Contd.)

##### i) Foreign currency risk (Contd.)

##### Exposure to currency risk\*

The summary of data about the Company's exposure to unhedged currency risk (based on notional amounts) as reported to the management is as follows:

| Particulars                              | Currency | As at 31 March 2024       |               |                    | As at 31 March 2023       |               |                    |
|--|----------|---------------------------|---------------|--------------------|---------------------------|---------------|--------------------|
|  |          | Value in foreign currency | Exchange rate | Amount INR in lacs | Value in foreign currency | Exchange rate | Amount INR in lacs |
| Loan to subsidiaries                     | EUR      | 1,55,000                  | 89.90         | 139.35             | -                         | -             | -                  |
| Interest accrued on loan to subsidiaries | EUR      | 22,92,164                 | 89.90         | 2,060.66           | 13,07,483.59              | 89.47         | 1,169.81           |

##### Derivative assets and liabilities

Foreign currency exposures of the Company are hedged by way of forward contracts. These contracts are entered with Banks with AA+, based on crisis ratings. Therefore, no risk is expected.

\*Refer note 52 for details of hedged foreign currency exposure of the Company, the same are reported as derivative assets and liabilities under financial assets and financial liabilities.

##### Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, US dollar or Euro against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars   |     | Profit or loss |           | Equity, net of tax |           |
|---------------|-----|----------------|-----------|--------------------|-----------|
|               |     | Strengthening  | Weakening | Strengthening      | Weakening |
| 31 March 2024 |     |                |           |                    |           |
| (1% movement) | EUR | 22.00          | (22.00)   | 16.46              | (16.46)   |
| 31 March 2023 |     |                |           |                    |           |
| (1% movement) | EUR | 11.70          | (11.70)   | 8.75               | (8.75)    |

##### ii) Interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

| Particulars   | 31 March 2024    | 31 March 2023    |
|---|------------------|------------------|
| Variable rate borrowings including current maturities | 30,000.00        | 10,500.00        |
| <b>Total borrowings</b>                               | <b>30,000.00</b> | <b>10,500.00</b> |

##### Sensitivity

| Particulars                  | Impact on profit and loss |               |
|------------------------------|---------------------------|---------------|
|                              | 31 March 2024             | 31 March 2023 |
| 1% increase in interest rate | (300.00)                  | (105.00)      |
| 1% decrease in interest rate | 300.00                    | 105.00        |

The interest rate sensitivity is based on the closing balance of loans from banks.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 55 Financial instruments - fair values and risk management (Contd.)

### C. Financial risk management (Contd.)

#### c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

*Trade receivables :*

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses. The following table provides information about the exposure to credit risk and expected credit loss (ECL) for trade receivables.

*As at 31 March 2024*

| Particulars        | Weighted average loss rate | Gross carrying amount | Impairment loss allowance | Credit impaired |
|--------------------|----------------------------|-----------------------|---------------------------|-----------------|
| Less than 90 days  | 0.85%                      | 13,091.3              | 116.05                    | No              |
| 90 - 180 days      | 13.75%                     | 458.47                | 64.39                     | No              |
| 180 - 270 days     | 39.40%                     | 225.05                | 126.47                    | Yes             |
| 270 - 360 days     | 56.24%                     | 143.33                | 124.71                    | Yes             |
| 360 - 450 days     | 70.63%                     | 91.55                 | 80.46                     | Yes             |
| 450 - 540 days     | 80.50%                     | 54.75                 | 47.39                     | Yes             |
| 540 - 630 days     | 89.16%                     | 57.86                 | 51.63                     | Yes             |
| More than 630 days | 98.92%                     | 762.22                | 761.18                    | Yes             |
|                    |                            | <b>14,884.53</b>      | <b>1,372.28</b>           |                 |

*As at 31 March 2023*

| Particulars        | Weighted average loss rate | Gross carrying amount | Impairment loss allowance | Credit impaired |
|--------------------|----------------------------|-----------------------|---------------------------|-----------------|
| Less than 90 days  | 0.72%                      | 10,726.58             | 59.18                     | No              |
| 90 - 180 days      | 12.17%                     | 264.34                | 32.17                     | No              |
| 180 - 270 days     | 36.63%                     | 99.19                 | 36.33                     | Yes             |
| 270 - 360 days     | 54.50%                     | 61.85                 | 33.71                     | Yes             |
| 360 - 450 days     | 68.93%                     | 51.43                 | 35.45                     | Yes             |
| 450 - 540 days     | 80.55%                     | 42.05                 | 33.87                     | Yes             |
| 540 - 630 days     | 89.47%                     | 18.13                 | 16.22                     | Yes             |
| More than 630 days | 100.00%                    | 903.61                | 903.61                    | Yes             |
|                    |                            | <b>12,167.18</b>      | <b>1,150.54</b>           |                 |

The Company uses an allowance matrix to measure the ECL of trade receivables from individual customers, which comprise a very large number of small balances. Based on the industry practice and the business environment in which the entity operates, Management considers that the trade receivables are in default if the payments are more than 180 days past due.

Loss rates are based on actual credit loss experience over the past 5 years.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 55 Financial instruments - fair values and risk management (Contd.)

### C. Financial risk management (Contd.)

#### c) Credit risk (Contd.)

*Trade receivables : (Contd.)*

The ageing analysis of the receivables has been considered from the date the invoice falls due.

| Trade receivables :  | < 180 days | > 180 days | Provision  | Total     |
|----------------------|------------|------------|------------|-----------|
| <b>31 March 2024</b> | 13,549.77  | 1,334.76   | (1,372.28) | 13,512.25 |
| 31 March 2023        | 10,990.93  | 1,176.25   | (1,150.54) | 11,016.64 |

The movement in the allowance for impairment in respect of trade receivables is as follows:

| Particulars                         | 31 March 2024   | 31 March 2023   |
|-------------------------------------|-----------------|-----------------|
| Balance as at 01 April              | 1,150.54        | 987.25          |
| Amounts written off                 | (204.69)        | -               |
| Net remeasurement of loss allowance | 426.43          | 163.29          |
| <b>Balance as at 31 March</b>       | <b>1,372.28</b> | <b>1,150.54</b> |

*Security deposits*

Security deposits are primarily given to electricity authorities of states across India. Recoverability of these deposits is probable and no risk is expected.

*Contract assets*

Contract assets are the unbilled revenues to the state electricity boards of Gujarat, Rajasthan and Tamil Nadu, towards the sale of electricity generated from Wind Turbine Generators of the Company, situated at those locations. Refer Note 43 for details. Recoverability of these receivables is probable and no risk is expected.

*Loans and interest accrued on loans to subsidiary*

The Company has advanced interest bearing long term loans to its wholly owned subsidiary (WOS) HIL International GmbH. Receipt of the principal and interest amounts of these loans is probable and no risk is expected.

*Corporate guarantee fee receivables*

During the year ended 31 March 2024, the Company has issued a corporate guarantee (CG) of Euro 33.705 million at a commission of 0.50% p.a on the outstanding CG amount, in favour of its WOS, in respect of the loan taken by WOS from ICICI bank UK PLC, Germany. Receipt of such fee is probable and the Company expects no risk in its recoverability.

*Other receivables*

The balances under other receivables is primarily the dividend receivables from the Company's investment in Supercor. As Supercor is inoperative (refer note 53(c)) the Company has considered the entire balances as credit impaired in its books.

*Cash and cash equivalents and other bank balances*

The cash and cash equivalents and other bank balances are held with banks. Credit risk on cash and cash equivalents and deposits with banks and financial institutions are generally low as the said deposits have been made with the banks and financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

*Derivatives*

The derivatives are entered into with bank and financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 56 Ratios

| S. No. | Particulars                          | Formulae  | Numerator  | Denominator  | Unit  | 31 March 2024 | 31 March 2023 | Variance | Reasons for Variance*   |
|--------|--------------------------------------|---|--|--|-------|---------------|---------------|----------|---|
| a.     | Current ratio                        | Current assets/ Current liabilities                               | Current assets   | Current liabilities  | Times | 1.34          | 1.17          | 14.53%   |   |
| b.     | Debt equity ratio                    | Total debt/ Shareholders equity                                   | Current Borrowings + Non-current borrowings  | Total equity   | Times | 0.26          | 0.11          | 150.11%  | The variance is due to increase in the working capital loans and term loans taken by the Company during the year. |
| c.     | Debt service coverage ratio          | Earnings available for debt service/ Debt service                 | Net profit after tax + Interest + Depreciation and amortization +/- Loss or gain on sale of property, plant & equipment- Exceptional items | Interest + Lease interest payments + Current lease liabilities + Current borrowings  | Times | 0.68          | 1.74          | -60.72%  | Reduced profits and increased borrowings have resulted in the increased variance.                                 |
| d.     | Return on equity                     | Net Profits after taxes/ Average shareholder's equity             | Net profits after taxes- Exceptional items   | Average shareholder's equity   | %     | 5.71%         | 12.13%        | -52.96%  | Variance is due to reduced profits for the year.  |
| e.     | Inventory turnover ratio             | Sales/ Average inventory  | Net sales  | Average inventory  | Times | 5.71          | 6.07          | -6%      |   |
| f.     | Trade receivables turnover ratio     | Sales/ Average accounts receivable                                | Net sales  | Average accounts receivable  | Times | 16.49         | 19.61         | -16%     |   |
| g.     | Trade payables turnover ratio        | Purchases/ Average accounts payable                               | Purchases  | Average accounts payable   | Times | 5.91          | 6.06          | -3%      |   |
| h.     | Net capital turnover ratio           | Sales/ Working capital  | Net sales  | Current assets - Current liabilities   | Times | 10.82         | 25.10         | -57%     | Variance due to increase in current liabilities   |
| i.     | Net profit ratio                     | Net profits after taxes/ Net sales                                | Net profits after taxes- Exceptional items   | Net sales  | %     | 2.95%         | 6.04%         | -51.16%  | Reduced operational profits during the year   |
| j.     | Return on capital employed           | Earning before interest and taxes / Capital employed              | Earning before interest and taxes  | Total equity - Intangible assets - Intangible assets under development + Non current borrowing + Current borrowings + Deferred tax liabilities | %     | 7.07%         | 13.70%        | -48.41%  | Variance due to reduced operating profits and increased borrowings  |
| k.     | Return on investment (Mutual fund)   | Income generated from mutual funds/ Average mutual funds invested | Income generated from mutual funds   | Average mutual funds invested  | %     | 6.41%         | 4.43%         | 44.73%   | Variance due to increase in returns from mutual fund investments  |
| l.     | Return on investment (Fixed deposit) | Income generated from fixed deposits/ Average fixed deposits held | Income generated from fixed deposits   | Average fixed deposits held  | %     | 5.81%         | 4.39%         | 32.16%   | Variance due to increase in rate of interest offered on fixed deposits  |

\* Reason for variance is given for ratios having % change more than 25%.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 57 Benami property

There are no proceeding initiated or pending against the Company as at 31 March 2024 and 31 March 2023, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

## 58 Wilful defaulter

The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

## 59 Undisclosed incomes

The Company has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other provisions of the Income Tax Act, 1961).

- 60** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries) except as disclosed below. The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. The Company has given a long-term loan of Euro 4 million (INR 3641.30 lacs) at the interest rate of 8% p.a. to HIL International GmbH, Germany (wholly owned subsidiary company) on 14 August 2023. This loan was utilised by the subsidiary company for further advancing the loan to Parador GmbH, Germany, a wholly owned step-down subsidiary on 16 August 2023 to meet its general business requirements. The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013. Such transactions are not violative of the Prevention of Money-Laundering Act, 2022 (15 of 2003).

## 61 Struck off companies

The Company has entered into transactions with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956. Below are the details of balances outstanding:

| S. No | Name of the struck off company                                 | Nature of transactions with struck off company | Balances as at 31 March 2024 | Relationship with the struck off company |
|-------|--|--|------------------------------|--|
| 1.    | Paramount PEB Projects Private Limited                         | Payables                                       | 0.36                         | None                                     |
| 2.    | Bluepeter shipping Private Limited                             | Payables                                       | -                            | None                                     |
|       |  | Purchases                                      | 2.09                         | None                                     |
| 3.    | Delux Steel Industries Metal And Concast India Private Limited | Receivables                                    | 0.06                         | None                                     |
|       |  | Sales  | 5.65                         | None                                     |
| 4.    | Giriraj Steels Private Limited                                 | Sales  | 94.17                        | None                                     |
|       |  | Receivables                                    | 0.46                         | None                                     |
| 5.    | GCL Enterprises Private Limited                                | Sales  | 1.03                         | None                                     |
|       |  | Receivables                                    | -                            | None                                     |
| 6.    | B.L. Gupta constructions Private Limited                       | Sales  | 0.02                         | None                                     |
| 7.    | GR Infracon Private Limited                                    | Sales  | 73.86                        | None                                     |
|       |  | Receivables                                    | 3.17                         | None                                     |
| 8.    | Asma Infratech Private Limited                                 | Receivables                                    | 6.86                         | None                                     |
| 9.    | Integrate Micro Systems Private Limited                        | Shares held by struck off company              | 108 shares                   | None                                     |
| 10.   | Commercial Probe-Aid Services (India) Private Limited          | Shares held by struck off company              | 200 shares                   | Shareholder                              |
| 11.   | Alliance Mediacom Private Limited                              | Shares held by struck off company              | 39 shares                    | Shareholder                              |
| 12.   | Universal Trading Company Limited                              | Shares held by struck off company              | 4,000 shares                 | Shareholder                              |



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

- 62** There are no loans or advances in the nature of loans are granted to promoters, directors, KMP's and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person, that are :
- repayable on demand; or
  - without specifying any terms or period of repayment
- 63** Compliance with number of layers of companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.
- 64** The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- 65** The Company has entered into a Share subscription and purchase agreement dated 11 March 2024 with Crestia Polytech Private Limited for subscription and purchase of the shares of Crestia Polytech Private Limited, Topline Industries Private Limited, Aditya Polytechnic Private Limited, Sainath Polymers and Aditya Industries (collectively referred to as "Crestia and its group entities"). Subsequent to the year ended 31 March 2024, the Company has acquired 100% stake in Crestia Polytech Private Limited, Topline Industries Private Limited, Aditya Polytechnic Private Limited and Prabhu Sainath Polymers Private Limited by investing INR 15844.71 lacs. The acquisition was completed on 05 April 2024 subject to the conditions specified in the agreement by the respective parties and the Company has acquired control by way of acquisition of shares. However, the acquisition of Aditya Industries has not been completed since the conversion of said partnership firm into private limited company is under process and the acquisition will be completed once the conversion is occurred. This transaction was approved by the Board of Directors in their meeting held on 11 March 2024. The acquisition is expected to achieve synergy by integrating the acquired assets into the Company's existing Polymer Solutions segment business and help in exploring untapped geographies.
- The Company is in the process of completing the purchase price allocation for the aforesaid acquisitions and accordingly disclosures required under paragraphs B64 (e)-(q) of Ind AS 103 - Business Combinations are not being made. The Company has incurred acquisition-related costs of INR 603.90 lacs on legal fees, due diligence costs and other professional fees. These costs have been included in "other expenses" in the statement of profit and loss.
- 66** Certain land and buildings classified under non-current assets held for sale as identified in the previous year have been sold during the year. Profits arising on the sale transactions have been reported under Exceptional items amounting to INR 3721.29 lacs.

As per our Report of even date attached

for **B S R and Co**

Chartered Accountants

ICAI Firm Registration Number: 128510W

for and on behalf of the Board of Directors of **HIL Limited**

CIN No.: L74999TG1955PLC000656

**Sulabh Kumar Kedia**

Partner

Membership No.: 066380

Place: New Delhi

Date: 07 May 2024

**CK Birla**

Chairman

DIN: 00118473

Place: New Delhi

**Akshat Seth**

Managing Director and

Chief Executive Officer

DIN: 10039820

Place: New Delhi

**Ajay Kapadia**

Chief Financial Officer

Membership No.: 108447

Place: New Delhi

Date: 07 May 2024

**Nidhi Bisaria**

Company Secretary

Membership No.: F5634

Place: New Delhi