

August 24, 2018

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

Dear Sir/Madam,

Sub: Transcript of Schedule of Analyst/Investor Call held on Thursday, August 09, 2018.

Ref: Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

In continuation to our letter dated August 6, 2018, please find attached the Transcript of Analyst/Investor conference call held on **August 09, 2018**.

Pursuant to Regulation 46, the aforesaid intimation and Transcript of the Investor Call is also available in the Company's website i.e www.hil.in/investors

You are requested to take on record the above said information.

Thanking you
For HIL LIMITED



G. Manikandan
Company Secretary
& Financial Controller.

HIL Limited

Q1 FY19 Earnings Conference Call Transcript

August 09, 2018

Moderator Ladies and Gentlemen, Good Day and Welcome to the HIL Limited Q1 FY2019 Results Conference call. As a reminder, all participants' lines will be in the listen only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' followed by '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikram Rajput from CDR India. Thank you and over to you, sir.

Vikram Rajput Thank you, Karuna. Good Afternoon Ladies and Gentlemen, Welcome to HIL Limited Q1 FY19 conference call for investors and analyst. The call has been hosted to discuss the financial performance and share operating highlights of the company with you. I have with me on the call Mr. Dhirup Roy Choudhary – Managing Director and CEO of the company, Mr. KR. Veerappan – CFO; Mr. Manikandan G.— Company Secretary and Finance Controller; and Mr. Ajay Kapadia – GM (Finance).

We will commence the call with comments from the management team post which we shall have the forum open for a Q&A session, whereas the management will be glad to respond to any queries that you may have. At this point, I would like to highlight that some statements made on today's call may be forward-looking in nature and that the actual results could vary significantly from the statements made. A detailed statement in this regard is available on the company's earning presentation, which has been circulated to you earlier.

I would now like to invite Mr. Dhirup to present his views on the operating performance of HIL, the strategic development and the broader outlook on growth. Over to you, Dhirup.

Dhirup Choudhary Thank you very much. Good Afternoon Ladies and Gentlemen and a warm Welcome to everyone. I thank you for taking out this time to join us on this call.

We have started this year on a promising note with volume and profitability improvements across all business segments. Roofing has grown at 14% year-to-year and building solutions recorded a 37% year-to-year growth during this quarter. Profitability momentum had been strong with Q1 for the year '19 PBT up of 40% year-to-year at Rs. 78 crore. Quarter-1 has been the best quarter in the history of HIL. There is great organizational passion behind this stupendous progression in our performance and business models. The energy is pervasive and very apparent across our operation team and plants that are each rising to the growing challenge through enhanced dedication and passion, and delivering all-time high KPIs, and is extend through our sales distributor, dealer, retailer family which is the true face of HIL to our customers.

Q1 traditionally represents peak demand for AC sheet production. The 23% improvement in sale is backed by volume growth of 8% in AC sheet and is the result of concerted activities by our sustained corporate communication campaigns and dealer activations nationwide, the trust of our loyal dealers and customers on our quality. Our association with Chennai Super Kings team, a champion in IPL, has boosted our brand visibility as well as its reach amongst the consumers, dealers, and influencers. We have continued to grow ahead of the market consistently and added to our market share. We expect to benefit from multiple sector tailwinds including normal monsoon, reduction in GST rate from 28% to 18% and improved farmer cash flow driven by loan waivers.

Charminar Fortune, our innovative, non-asbestos, cement-based roofing product, the only of its kind in the industry continues to gain traction amongst the institutional segment. This is a segment which solicits patience with each customer having their own norms for approval, but the returns are equally rewarding. I am happy to inform that we have established the contact with many reputed institutional segments including Government bodies and private sector companies. We are confident that this product with sensibly buildup to a very big business within HIL in the coming years.

The building solutions business comprises of wet walling solution, which includes AAC block, building mortar and putties, and the dry walling solution where we talk of panels, boards, and smart fix. On the building solution side, we have grown by 13% on AAC block and 37% on panels and boards in Q1, and overall a growth of 37% for this segment. We have a strong brand profile in Birla Aerocon and a great quality product and sales team which is enabling us to gain shares from the unorganized market. We continue to focus on presenting total solutions to our customer base and this approach is showing us in the results quarter upon quarter.

The plumbing solution business, pipes and fittings, have grown by 181% on revenue YOY. Capacity addition in SWR, CPVC, and UPVC at Faridabad and SWR Golan have broad based the product portfolio which along with brand pull of Birla Aerocon has enabled us well with the MEP consultants, big builders, plumbers, architects, and the entire real estate infrastructure ecosystem. I have great ambitions for the plumbing solutions business where we are aiming for a large pie with an extended portfolio product especially in the SWR category. The industry rate of growth aside, we firmly believe in the brand promise and our ability to logically play a large role in coming years. Our considerable effort towards working capital reduction has significantly contributed towards enhanced cash for the organization.

Now, I would like to spend some time on the recent acquisition of German building materials maker, Parador Holding GmbH. HIL Limited through its wholly owned subsidiary, HIL International GmbH, Germany, is set to acquire Parador for € 82.8 million. Parador Holdings GmbH founded in 1977 is a German based vertically integrated, full range supplier which designs, manufactures, and distributes a wide range of flooring solutions, walls, and ceiling panels, skirting, and related accessories. Parador has one factory each in Coesfeld, Germany, and in Gussing Austria. Its net revenue for current year 2017 stood at € 142.2 million.

The acquisition will enhance HIL's position as a leader in building material solution in India and enable its transition into a global player. It will facilitate entry into flooring solutions segment, which is highly complementary to HIL's current product portfolio, and also provide a renowned brand with strong R&D and design capabilities. Parador has distribution presence in 65 countries and 4500 trade partners giving us access to a swathe of industry relationship in key, new advanced markets and open up possibilities to distribute our products further afield.

The wood flooring market in India is in a growing phase and we are also confident to help Parador products businesses to benefit from the same. Overall, we are very enthusiastic with the business that it brings and a very capable management team

that backs it and have exciting plans to charter growth going forward. The strong leadership team at the helm at Parador will continue to be responsible for day-to-day operations and drive the business forward together with us.

HIL expects to complete the transaction in a month's time from now. I am happy to inform that the shareholders have already approved the investments at the 71st AGM held on August 6, 2018. The buyout will also need Antitrust approval in certain jurisdictions. HIL will pay a cash consideration of € 72.3 million comprising € 53 million for purchase of equity shares and the remaining for repayment of certain loans. Using a mix of Euro debt, Rupee debt, and internal accruals, we wish to fund the transaction. Value creation is at the heart of all our decisions and this acquisition is no different in that sense. Due to the sensitive nature of the transaction and the legal compliances, we will be in a position to share more details about the deal once the transaction is completed and you will thereafter be able to clearly see the synergies and the positive accretion to EPS.

I am delighted to share that HIL has been recipient to multiple awards during the quarter. HIL was recognized as the icon brand by Economic Times Icon Brands of India in the second edition 2018, HIL has been the recipient of India's best company of the year 2017. These recognitions underline HIL's commitment to driving a world-class operation in the field of building material solutions.

In a nutshell, our company is witnessing interesting times of transformation, with strong operating foothold in the core roofing business, we have interest in growing the non-asbestos business more robustly in the coming years. In this direction, we have augmented brand recall, diversified and broad-based our product portfolio, adopted a solution's approach, created new avenues and streams for revenue, motivated human capital and made a calibrated global foray. As an organization, we are as much committed to driving a transformatory performance as we are to ensure its sustainability.

Thank you very much for your patient hearing. I would now like to invite my CFO, Mr. Veerappan, to take the forum to share his perspective on the financial results.

K. R. Veerappan

Thank you, Dhirup. Good Afternoon and thank you all for joining us on the call today. I would like to recap the financial and operating highlights of the business during Q1 FY19.

The first quarter has set the tone for FY19 with 23% improvement in year-on-year revenues at Rs. 496 crore. This follows continued momentum in roofing solutions that has delivered 14% year-on-year growth. Our product lines enjoy continued patronage from our core set of customers. Given the expectations of a normal monsoon this year and enabling farmer-centric policies, we are optimistic of the mood in the rural market. On the non-asbestos side, concurrently Charminar Fortune, which is our non-asbestos solution has seen strong acceptance in the institutional segment and we are encouraged to the response to the product in the market. Growth in the building solutions and other segments stood at 37% and 131% both year-on-year. We are driving the market-oriented approach which focus on rendering solutions in the wet walling and dry walling market and intend to realize gains thereof. The commissioning of augmented capacity in pipe and fittings is shaping up well.

At overall level, margins have shown improvement year-on-year and today they are at 18%. This is primarily the result of strong show in the roofing solution segment. Steps taken up to up the efficiencies of operating processes better focus on cost and productivities across the enterprise is yielding sustainable enhancement in margins. Our drive on working capital optimization continued during the quarter further improving the working capital turns significantly.

Profit before tax showed 40% growth at Rs. 78 crore in line with the broader operating performance. I am happy to inform that we have delivered higher than what was achieved during first six months of FY18 in the first three months itself in FY19. With this, we have already achieved 65% of the full-year PBT reported last year.

The timelines of the Parador acquisition notwithstanding, we are witnessing a strong growth in the underlying India business and we intend to maintain this trajectory and drive robust cash flows. As a company, we are well-positioned to have an optimized funding structure for the Parador acquisition and as we get closer to the confirmation of the agreement, we shall share the details around the financials and its impact on our overall financial strategy. With healthy cash flows generated, cash surplus generated internally, we are confident and well placed to fund the acquisition through a combination of internal accruals, Euro debt, and Rupee debt. The overall debt-to-equity ratio will remain well below 0.5 at HIL level. The consolidated numbers will be presented along with the annual results of FY19 in March.

I would like to thus conclude my opening remarks. I request the moderator to open the question and answer session. Thank you.

- Moderator** Thank you very much, Sir. Ladies and Gentlemen, we will now begin the question and answer session. The first question is from the line of Baidik Sarkar from Unifi Capital. Please go ahead.
- Baidik Sarkar** Two very broad questions, first if you could help us understand the proponents of your margin expansion and the solutioning business as well as the roofing business and how much of this is secular and how much is sticky? Secondly, I am sorry if I missed this in Dhirup's opening remarks, if you could help us understand the funding structure for your acquisition and what are the possible synergies because it is a new country, completely new product segment, how do you plan on driving synergies?
- Dhirup Choudhary** Mr. Sarkar, thank you so much for your questions. As we had earlier informed all the investors that your company is going to drive building solutions through a complete solution's route and that is exactly what we are doing. The margins standalone AAC block was extremely low and that was not what we had intentionally invested upon, so these margins that you see in building solutions are very much sticky and I definitely see the traction picking up further. About your second question, Mr. Sarkar, on the exact details of the financing bit on Parador, I can only tell you as Veerappan stated in the statement that we are mix of our own surplus cash together with loans in Europe and loans in India to fund this. We would do it in the best possible mix way keeping the taxation in mind as well as the lowest interest rate in mind. Very favorably all banks have come across to us and that has been a very pleasing factor, so basically we will now take a decision based on what is best suited for HIL. You will get to know about this very soon, Mr. Sarkar.
- Baidik Sarkar** Did I read Mr. Veerappan's statement right that net of leverage at the end of FY19, our consolidated debt-equity would be 0.5?
- K. R. Veerappan** Sorry, let me correct it, it is at the HIL standalone level, consolidated will be at 1.0 in the first year and it will keep reducing in the next three to four years.
- Baidik Sarkar** So which means after considering the additional leverage, it will peak out at 1 is what you are saying?
- K. R. Veerappan** Yes. That is the at the consolidated level including Parador.
- Baidik Sarkar** My last question, obviously your solution business is quite large, we have got building mortars, putties, dry panels, board smart fixes, if you could help us understand the broad revenue fix within this and what exactly is driving profitability and margins for you, it will help us appreciate your numbers better?

- K. R. Veerappan** Let me just break the building solution, building solutions we have blocks, we have grown at 13%, we have delivered around Rs. 59.7 crore this year compared to Rs. 52.8 last year and the biggest profitability driver is the dry mix. In line with those strategy, we have been always saying that we are giving a solution approach and dry mix is really well accepted in the market. Dry mix has grown at a staggering 527%, last year this quarter we had done only Rs.2.4 crore and now we have ended up this quarter at Rs.14.9 crore, so that is a significant growth there and panel has grown by 32%. We have achieved Rs. 23.6 crore revenue compared to Rs.17.8 crore last year and we have boards which is around Rs.6.3 crore compared to Rs.3.9, that is 59% growth there and thermal insulation under the brand HYSIL that is also part of the building solutions, which has also grown by 46%, we have done Rs. 12 crore against Rs. 8.2 crore last year.
- Dhirup Choudhary** Mr. Sarkar, in a nutshell I think the solution strategy that we took up a few months back or maybe a half a year back has really paved way for us together with the insulation business which is doing great the HYSIL and panel have also started off picking up very well. We have almost 60% of the Indian market on panels today, and I think all three are significantly contributing towards the profitability and growth of the segments.
- Baidik Sarkar** Last question in terms of the scaling up of your piping business, where are we I think we are due to commercialize one of our plants this quarter, if you could give us a steer in that, please?
- Dhirup Choudhary** Here, Mr. Sarkar from the capacity enhancement point of view, we had at Thimmapur and Faridabad plant earlier. We have introduced further CAPEX in Faridabad plant and that has come up very well and plant is almost 75% fill up. We have added further lines for SWR in Golan which has also come up and now almost 90% full up. We are as we speak commissioning our CPVC and UPVC lines in Golan as well and that should start kicking very soon, so this is what we had earlier informed you. Further to that, we are financing our capacity by another new line in Thimmapur, so we have one line of CPVC in Thimmapur, we are going to add to that a line of UPVC, CPVC column pipes and SWR in Thimmapur which will be additional capacity enhancement. The plumbing business has grown at staggering 181% on a quarter-to-quarter basis, but still it is quite small. We have already done Rs.25 crore in the quarter. We are very bullish about this segment and the market is doing well, but more than that, we are able to pull from the market a decent volume for ourselves. This particular business has also taken up extremely well owing to the brand enhancement that we have done on this and I think that is something that is really helping us in a big way.
- K. R. Veerappan** To add to this statement, the plumbing solution Q1 revenue Rs. 25 crore is 50% of last full years revenue in plumbing solutions.
- Baidik Sarkar** Mr. Roy, about your synergies about the acquisition in terms of how do you plan to cross sell, how do you plan to increase utilizations in a foreign land and do you have experience of having dealt with a very similar product line that you just acquired?
- Dhirup Choudhary** Thank you very much again, so this actually as we said enhances the portfolio in a big way. We were in roofing, we were in walling, now, we will be in flooring, so that completes in a broad base the building solutions, but does not complete our aspirations. Coming to Parador, it is a very, very respected company in Europe, the best-known brand in Germany as per external agency's verdict. It is a business which has acquired a great name for itself. They are into wooden panels with the wooden flooring, they are into laminate flooring, and are into resilient flooring, so very few companies in Europe which have all the kind of products that are needed for this. There are in more than 65 countries and with 4500 dealers who have been working very well with them, 50% of this business is sold outside Germany and a lot goes to every part of the world. If I can just paint the global map for you, if you leave out India where they are not doing very significant, a part of the lowest tip of South America,

part of South African tip, I think they are primarily everywhere in the world and that gives great virtue to HIL because we suddenly overnight would have an access to the global footprint and this would energize some of our products which can travel outside borders for instance the pipes or the Fortune Charminar which is the non-asbestos product, so that is one synergy will be looking at where we would use their capabilities to have HIL India grow.

At the same time, we definitely believe that wooden flooring business in India is very, very attractive. It is setting the good trend in India, it is growing at a good pace and this is really the time if someone wants to make an attempt to make the good mark in the Indian market and we will definitely help Parador in that direction. We are into the B2B customers through our building material segments and our approach to all the consultants, architects, and big builders would provide an immediate resource to Parador to sell their products through this route and definitely we draw synergies, so from both angles from HIL standalone basis as well as from Parador standalone basis, it makes a lot of meaning for this acquisition. It has been made very wisely, we have actually looked at almost 150 companies before we put out our finger on to this. They were in a process, we had to walk in at quite late time to get into this, but we were very, very quick, within three months we could do the entire due diligence involving the best of companies in Europe to do it for us so that we were absolutely sure and clear as to what we were buying, and the market response in Europe whether it is the existing bankers that they have and others were very positive about Parador. There were absolutely no red flags which were showstoppers during the due diligence, so it also added to the glory and it was a lot of comfort and I think the way we will close the deal with a very good SPA towards our benefit. I think all of that I would complement the team that was with me in doing this. About the experience, well I personally have run companies in Austria, Germany for many years now, and therefore, this culture is something which I know very well, very ethically run company, extremely holistic in every approach and since the technology is so good, I mean that is something which drew us more closer to this deal and I think if there was some boxes that I had in mind to invest from HIL point of view I think Parador ticks most of it, so I am very upbeat about this.

- Moderator** Thank you. The next question is from the line of Rajesh Ravi from Centrum Broking. Please go ahead.
- Rajesh Ravi** Sir, first of all on the AC segment, if you could throw some light on the reason why how has been the growth spread across India and what is your outlook for the full year?
- Dhirup Choudhary** Compliments goes to you as well as the investor, so thank you very much for your faith in HIL.AC segments if you remember since I joined this organization about a year back talking about how to grow this segment because it had not been growing and I think a lot of activity that was done including working with the Governments to get the GST reduced from 28% to 18% as well as going to the last leg increasing our retail spots and then involving the dealers in a big way into something that excites them and all of that has been done by HIL, so CSK compliments in a big way towards the results and because of that alignment of the company with Dhoni has supported in a big way to get the dealers all excited to come and meet him, to come and see the cricket matches, and all the rest of it. For the first time, HIL actually went outside and connected with consumers, so we had always been great from an AC segment point of view into the dealers and retailers, but we have never gone to the last leg consumers. This time we did this by a particular "Boli Lagao" contest where they were sending in SMS and trying to be a part of it and thereby getting a ticket to watch the cricket, so I think a lot of pull factor came through from the market while I am sure the market in general has done well, but HIL has certainly taken the benefit by being the leaders here in growing the market share as well as the profitably growing the business, so that is how it looks like at the moment, definitely it looks positive, the rains have been good next year should also be reasonably there. Overall, in India

I think if you leave out Kerala which is not doing so well for the asbestos in general, bit of a South, we have grown over the last year.

Rajesh Ravi

In the other business segments like in the blocks, what has been your volume growth and in terms of margin profile also are we still in low single digit or we see this year we will be into double digits in the blocks business also and also the outlook for the pipes business before I move forward to the Parador?

K. R. Veerappan

Rajesh, let me first answer your first question on the quantity terms, AAC blocks we have done 1,89,351 cubic meters, which is a 12% growth over last year and dry mix 12,565 tons which is almost 300% growth over last year, panels 18,694 tons which is 20% growth over last year, and boards 4,467 tons 21% growth over last year and thermal insulation 1,951 tons which is 45% growth over last year. This is in terms of volume and if you see the capacity utilization, blocks we are at 98% and panels 94%, boards were 80%, dry mix at 70%, thermal insulation is well above 100%, that is on the quantity numbers and your second question was on the profitability. We have come a long way in terms of the blocks profitability, in terms of lot of cost reduction and two of the plants in Chennai and Thimmapur have done extremely well for us and overall blocks has improved its margins, I am happy to share that at point of time and of course with solution the dry mix coming in, the overall building solutions margins have improved considerably.

Dhirup Choudhary

I think your question was also on pipes, that is the business which is showing a lot of colors for us as I said a growth of 181% quarter to quarter is never easy, especially when you look at all the dealers who are with big names, to get into there itself becomes a challenge, but I think the Birla name really reckons very well and the fact that our team has been able to move together, support them in a big way. All of that is going onto together with the brand enhancement that we are doing through ATL and BTL. We are very, very hopeful that this segment is going to be a big potential drive for the future HIL growth. Parador, we will get back to you on the growth numbers and every bit of it once we have closed the transaction.

Rajesh Ravi

Just two last questions, one on the unallocated expenses of rs. 7 crore it has jumped to Rs. 31 crore even on QOQ versus Rs. 15.5 it is Rs. 31 crore, so what specific cost is getting classified here and in terms of Parador, could you quantify in terms of which are your major competitors in the European market where Parador is as you mentioned it is one of the market leaders there?

Dhirup Choudhary

Rajesh, on the other cost I think the major cost has been on the manufacturing and sales, which has contributed to the growth here. There has been an element on excise duty on decreasing stocks in last quarter also which has added to this as well as some expenses on the marketing and advertisement which we had anyway planned for we have taken in this quarter hit. So all in all it has not been really outside what our contemplations or expectations were and very much aligns to the total business that we have done. On the competitors of Parador, I think just get into the net and type wood flooring and you would see lot many names including Parquet and Pergo and stuff like that, but more detailed information about this I am sure we would be able to link to once we speak to you specifically on Parador after closing.

Rajesh Ravi

I was mentioning on the unallocated expenses, Sir, in this segmental numbers, for sure you explained about the cost increases, but I was more referring to the other unallocated expenses number in the segmental numbers that you share?

Dhirup Choudhary

Let me get back to you, Rajesh.

Moderator

Thank you. The next question is from the line of Bobby Jayram from Falcon Investments. Please go ahead.

- Bobby Jayram** I think if one looks at your annual report for the last past 10 years or so, there has been a strong cyclical numbers have been pretty volatile for your roofing side, but do you see that continuing in the future as well or is the industry structured now more stabilized?
- Dhirup Choudhary** Thank you very much, when you talk of the volatility or the cyclic nature of the business, I think it is more reflected with the roofing segment, that is a segment cyclic in nature. There is a pre-monsoon and post-monsoon effect in this, so the strongest months for these segments starts around March and goes on till mid of July and then again picks up somewhere towards November-December and I think that will continue because as the rains come down and the construction effort actually goes down immensely, so that is how it will be reflected continued. On the building solution, I think it is quite even for the year and so would be the pipes and fitting, so I think that is how I will answer this question.
- Bobby Jayram** I was more referring to the overcapacity and the strong price war and the pressure on margins and your inability to pass increased raw material costs for the roofing segment, will that continue?
- Dhirup Choudhary** You are talking about the overcapacity of roofing segment, am I right?
- Bobby Jayram** Yes, over the past 10 years if you see there has been constant overcapacity, right, this raw material prices you were mostly unable to pass them and you suffered on your margins, so my question really is has the industry stabilized or is there similar...?
- Dhirup Choudhary** The overcapacity is only in the months when the demands are lower otherwise when the demands are high, I think HIL is able to deliver more than their capacity and that has been the true strength based on which we are able to get better markets during our season as we call, which was the last quarter, so we have a capacity in roofing of about 1.1 million metric tons and we are about 80% full on to that on an annualized basis. The 20% would be a healthy room to prepare oneself in case the market grows up and that these are all historic plants, but the market will not grow in a hurry in a big, big numbers, so even what we are seeing today as the market grows or to the extent to the growth of roofing segment in HIL I will say is quite, quite comforting and this I am sure we will work towards ensuring that this continues.
- Bobby Jayram** Do you see any new entrants in this segment?
- Dhirup Choudhary** I do not think there would be any new entrant on the asbestos roofing sooner.
- Moderator** Thank you. The next question is from the line of Dhananjay Mishra from Sunidhi Securities. Please go ahead.
- Dhananjay Mishra** Sir, my question is regarding if you can share the quantity number for this cement sheets as well as piping?
- K. R. Veerappan** Dhananjay, AC sheets we have done 3,21,446 tons this quarter and growth is 8%, last year we did 2,96,277 tons. The pipes and fittings we have done 1,608 tons which is 280% growth of last, last year we did only 423 tons.
- Dhananjay Mishra** Sir, what is the adjusting capacity in piping segment and how much investment is left to be done to reach 20,000 capacity?
- Dhirup Choudhary** Dhananjay, we are already beyond 20,000 metric tons, so the capacity that we have been able to create is already 8,000 metric tons in Thimmapur, Faridabad, 16,000 metric tons in Golan so once the CPVC and UPVC of Golan gets commissioned by this month end, we will have a capacity already of 24,000 metric tons between these

two plants and further capacity enhancement is planned at Thimmapur with about 7000 metric tons, so once that is also completed, we will be at the 30,000 mark on the metric tons.

Dhananjay Mishra How much investment is already done including the capacity which is coming in Golan?

Dhirup Choudhary We had already announced that a Rs. 130 crore would be invested, we are well within that and I think once we have completed Thimmapur, we would have completed that investment.

Dhananjay Mishra Okay, we will reach about 30,000?

Dhirup Choudhary That is right.

Dhananjay Mishra Lastly, Sir, in terms of roofing segment, we have grown at 8% on the volume and 14% in terms of value, so we have taken 5% to 6% price rise, so have we seen any increase in raw material prices, basically tile fibre which we have passed onto the customer?

Dhirup Choudhary I think raw material is always a challenge in this segment because it constitutes a good base of this segmental revenue and cement is the biggest bench that we always have because of the way the cement companies work together, so we always look at opportunities to develop a better relationship with them and try to see how to mitigate that and I think all actions we are taking towards supply management is rendering a very good result for us as you can see in this direction, so we did not see reason further to be increase in selling such that we have taken consciously of passing on any further benefits. I think the profitability of this division would answer that question for you.

Dhananjay Mishra Sir, lastly in this non-roofing which is building solution and PVC pipe because roofing segment we have seasonality factor and Q1 is the best quarter, but from this building solution and piping business, what we have delivered in first quarter can we take this quarter as a base for the next three quarters in terms of growth?

Dhirup Choudhary I think Dhananjay that is the intention that the management has that we have picked up something and we have to continue the traction and I do not see your company HIL showing any deterioration there, we must continue this effort.

Moderator Thank you. The next question is from the line of BV Bajaj from Bajaj Shares & Securities. Please go ahead.

BV Bajaj Sir, I have only one question, in UPVC and CPVC, Indian market as on date is about 1 lakh tons or in revenue terms suppose I take it is 3200 crore, which they are expecting by 2022 at some 8600 crore, now what are the results you have shown because UPVC or CPVC range is existing for the past 10 to 15 years and we are the late entrants in that including SWR also what are the products are there already there are market leaders who have captured couple of companies almost 50% to 60% and they are supplying to 22 countries. Now, my basic question is growth wise, yes, compared to last year to this year because we are new entrant, so you can have percentage growth but as a Indian market where we stand and in the building solution, there is one segment which we are not thinking or I want to bring to your notice, PEBS, Prefabricated Engineering or Steel Building Solutions, already there are some companies and they have good market for steel structure, have you thought on this line also before going to Parador Holding, Germany, because lot of investment and Parador has got only wooden solution or you can say that polyurethane synthetic floor and they have tried in Europe where the climatic conditions are very much different from Indian conditions, so have we thought on that and I wanted your attention on this, please help us in analyzing this?

- Dhirup Choudhary** Thank you Mr. Bajaj for your compliments on the quarterly results and also extreme thanks for the data that you have given around the market which are very useful to us. Your question on PEBs, I must say that why only PEBs, we have looked at absolutely everything that gets into the building material segment and we have done a detail research on this before we ever decided to use your money into any of the new acquisitions. So this is a very well thought out plan, PEBs to us did not really pose that kind of an advantage on return on investment and we were very sure that will be a segment where we do not want to be. Even as UPVC, CPVC is crowded, you rightly talked about and thanks again for that, the market growth and that is market we want to bite on. So while there are some established players who have done well, we are growing extremely well and even a small, we are very confident on what we are doing and the processes and the systems that we have put across in trying to align all the matrices which will help us achieve a higher growth in this. Parador is a very well thought off investment, Mr. Bajaj. I am sure you will be telling this once you get to know more details on Parador which we will definitely harvest when we speak again.
- BV Bajaj** About PEBs, steel buildings which we have not attacked in our building solution, Sir?
- Dhirup Choudhary** I am not sure I am very clear about your question, but I said prefabricated buildings is something we have looked in deeper and we did not feel that market to be something we want to get in to.
- BV Bajaj** Already, Hyderabad has got several companies in Penna Group, they are getting lot of orders for readymade and instant houses and offices and all that, but Sir in CPVC, my basic question was the earlier market leaders who are today capturing more than 50% market, they might have recovered their plant depreciation and all those things and lot of network is there, so how will be pricing our products against that, that is the last question, Sir?
- Dhirup Choudhary** Mr. Bajaj there are three things that works in the pipe as we have understood and you can always correct us for that, one is you have to have the right product which is high on quality, so that you are able to position it well. Second is develop a brand because the brand pull plays a big role in this kind of a market, it is no more a hidden brand, people actually call for the brands when they go for the pipes and with the likes of Honorable Mr. Salman Khan and others in doing a great job in advertising some of our competition there. The third is of course the connections to the market, your sales team. I think all of this as we say is something that we are focusing on enormously and Mr. Bajaj in times to come, you will be proud of what HIL will deliver on this.
- Moderator** Thank you. The next question is from the line of Siddharth Rajpurohit from JHP Securities. Please go ahead.
- Siddharth Rajpurohit** Sir, my question is why have we gone for the acquisition rather than just bringing a tie up and bringing the product to India, and why have the existing promoters sold the company?
- Dhirup Choudhary** Thank you Mr. Rajpurohit, very interesting question though. Point Number One is very clear, I do not think this acquisition was done only with India in mind, so if we had only looked at enhancing revenues from India, we may have looked at a solution as you have suggested, but in my personal experience, the JVs have not really done well and that is where we did not want to put our bet on. The second question, they were a PE fund and PE funds are one who have particular tenure linked to their investments, and therefore, they wanted to exit, they were running a process anyway for exit and we participated in the process. We could get the deal at a very, very good rate because of the speed we showed in executing it and for them you know a bird in hand is much valuable than three in the bush, I think they went for us because of the speed and surety of the transaction, and I think that is where we are now.

- Siddharth Rajpurohit** The cash outflow will be € 82 million for this acquisition, is it?
- Dhirup Choudhary** That is right, that is the enterprise value.
- Siddharth Rajpurohit** Final question, Sir, the distribution network when we see the products although it is clubbed under building solutions is very different, means for boards is very different, for AAC blocks it is very different, and now this new product it is entirely different, how do you see managing so many distribution network, if I am wrong please correct me?
- Dhirup Choudhary** While you may be partly correct, I do not think you are entirely there Mr. Rajpurohit, so let me just correct it. The building solution definitely has a particular sector which goes through the B2C, but the B2C is being supplied more from the ease of contribution to the B2B customers which are the builders. Basically, entire product goes to big builders or for commercial residential through consultants, through MEP consultants, through the architects, or other people who contribute towards the decision-making and we are very strong in that. Parador will only go into the urban sector and it will go for again commercial and residential buildings. It has an application for all kinds of flooring solutions whether it is wet flooring, dry flooring, every bit of it, I think it will go the same route. We see definitely a lot of synergy, that does not mean we would not have to create a separate line also to attack to some other customers and get into some other necessities and that is something definitely we will do, so part of it will be definite synergy and part of it would be something that we will have to develop ourselves, but for every business getting a business, going through the same route is never possible so as long as majority gets contributed from your existing channels I think that is a great deal.
- Moderator** Thank you. The next question is from the line of Ritika Garg from Aequitas Investments. Please go ahead.
- Ritika Garg** Sir, could I have the revenue number for the pipes division?
- K. R. Veerappan** Rs. 25 crore.
- Ritika Garg** Sir, profitability?
- K. R. Veerappan** Profitability, right now we are in the stage of ramping up, so it is more or less little break even. Once it stabilizes, the revenue grows up then we will get into the desired profitability.
- Ritika Garg** What revenues do we expect to do for FY19 for the pipes division?
- Dhirup Choudhary** Pipes division last year was at Rs.50 crore, we had targeted ourselves 2X growth on that. We are definitely moving towards a much better growth on that.
- Ritika Garg** By when will the Parador acquisition be EPS accretive?
- Dhirup Choudhary** Immediately, Parador is a profitable company and the closing should happen within a month's time. We will do the consolidation by March as we discussed, so there would not be a delay on that aspect.
- Ritika Garg** The imported raw material that we use the fibre, have the prices gone up?
- Dhirup Choudhary** Fibre is a very tricky material because we have suppliers from Brazil, Russia, Kazakhstan, and because of the long relationship that we have with all of them, we have been able to mitigate that risk very well Ms. Garg and I think we have been able to get the required discounts where it is just required to help the business.

- Ritika Garg** How are we hedging ourselves from the Rupee depreciation?
- Dhirup Choudhary** We have a very clear policy within our company on hedging. We are definitely not there to either take benefit or lose money on foreign currencies, and I think that is the policy we are practicing.
- Ritika Garg** Okay, but do we expect the pipes division to be profitable in FY19 or just breakeven?
- Dhirup Choudhary** Absolutely, if it is not profitable, it is not worth getting into that business, so while the profitability will ramp up as the business grows, it will be profitable and you will see some good numbers around.
- Ritika Garg** The Golan plant has not yet commenced, right?
- Dhirup Choudhary** Golan plant has two sectors, one is the SWR pipes and fittings and the other one is CPVC, UPVC. SWR pipes and fitting has already been commissioned and it is already 90% full. The CPVC and UPVC as we speak is under commissioning and I think by the end of this month you would see that this has already been commissioned.
- Ritika Garg** What capacity utilization do we expect in pipes division for FY19?
- Dhirup Choudhary** I think in excess of 75% to 80% is what I would end that.
- Ritika Garg** How many SKUs do we have in the pipes division?
- Dhirup Choudhary** Difficult to count, Madam, I think more than 1000 or 2000.
- Moderator** Thank you. The next question is from the line of Mahantesh Maralinga from Finquest Securities. Please go ahead.
- Mahantesh Maralinga** Sir, coming to this unallocable expenses in your segmental breakup, it has grown up firstly, can you just highlight the reasons for that?
- K. R. Veerappan** Let me clarify, unallocated is more of common expenses corporate expense what we have and the entire branding this time what we have done is more from an HIL perspective and of course the brands also have a rub-off effect on that, but it is more from a HIL branding, so we have kept it as unallocated there.
- Mahantesh Maralinga** Sir, coming to your acquisition, this flooring business is slightly on the premium segment, but you operate in the entry-level segment, will it both gel together, how is that because you will be selling one at the higher and one at the lower end, so just wanted to take on that?
- Dhirup Choudhary** I see where your question comes from, Mr. Mahantesh, while the Parador produces material which are under premium segment, they are quite competitive otherwise which they could not been in 65 countries, so I think this product is very much something that we will be able to bring into India. If you see the wooden flooring market in India today, about 70% of it is imported from different countries and quite a good comes from Europe. So far as the channel is concerned as I mentioned we are definitely looking at the synergy from the building solutions where it gets sold to the all big giant real estate companies, whether it is the builders or through the consultants, so I think there will be a lot of synergy there.
- Mahantesh Maralinga** Sir, do you have like any target growth in mind from Parador as a company for them both globally and even in India, how should their top line grow?

- Dhirup Choudhary** Definitely something we will have to work out with them, so at the moment as you know this company is not ours yet, after closing we will be able to do all that and definitely when time comes we will share all those numbers with you.
- Mahantesh Maralinga** Sir, like in India who are the competitors in this segment, wooden flooring and any local players here?
- Dhirup Choudhary** I think I will leave that exercise to you at this moment Mr. Mahantesh, Our competitor comes from Europe for sure we know. We know that couple of Indian players also make this, but at very low quality, so we have some information, but normally we do not like to talk about competitors, I think it is best for you to get that judged.
- Mahantesh Maralinga** Sir, coming to the building solution, this quarter was very good growth, but going ahead what will be your plans to achieve that on the growth front, it might be not the same rate?
- Dhirup Choudhary** I have answered this question, but for your benefit I will repeat. I think building solutions we are not going for product growth or for solutions growth. AAC block for instance has already reached almost 95%, 98% capacity. At this moment, we have no plans to put in another plant for AAC block because for our standalone that product was not remunerative enough, but at the solution we see that strategy which we took up about a year back has really produced good value and we have been definitely be growing on the solution. The putty part of it is doing very well, we are going to set up a few more additional plants for putty as we have already reached 100% of our capacity in Jhajjar, so those are activities which we have anyway planned. You are right, it is not seasonal, however, when the rain comes down there definitely is a bit of a hit on the business, but overall throughout the year this should be a good business for us.
- Moderator** Thank you. The next question is from the line of Charandeep Singh from Girik Capital. Please go ahead.
- Charandeep Singh** Sir, I have couple of questions, one was on the Fortune business how is that progressing and could we just get some color on the progress made?
- Dhirup Choudhary** Certainly, Charandeep, it is an exciting product for us, it is a future product for us, so as we had very clearly stated while we were even positioning this product to the market that this is only for the sector of the institutional clients because we are at this moment were not intending to position this to the B2C channels where the asbestos roofing is doing extremely well. I must say that we have reached a very good traction in building some customer base for ourselves. Institutional clients are very, very difficult to enter. They have their own norms of accepting a product, first of all it gets into the technical specs, then they would try on a couple of roofing, see how it works for many months to gain confidence and then go for it. It makes it further challenging for us, Charandeep, because such a product does not exist, so anyone who has a non-asbestos cement based roofing and they claim for it, I think are nowhere close to the one that we are producing, so we have no competition there, so it is more like feeding them. It was important for us to get the band well-established, which means we had to get the product well-established, and therefore, we took as I speak about 11 months have gone through the first production of this and we have already seeded this product to different corners of India and thousand metric tons of the seeding material as well as the product sale has already happened, as we speak to you and it has entered many, many customers and some of them have also started showing thrust by repeated orders, but these are small numbers. Big customers like Indian Railways, NTPC, CPCL, NBCC, they have all shown faith on us and have bought this product in some quantity or the other. I must caution and transparently as I have been always talking about in every part of my conversation, do not expect miraculous returns from this in the very near future, but this is what will be the future for HIL

going forward, and I am very, very bullish, there have been zero complaint on this, Charandeep, from wherever it has been sold, so this product is really behaving well.

- Charandeep Singh** Sir, on the acquisition that we have just announced, are there any data points available on valuation in terms of multiples that we are paying whether it will be earnings level or at the EBITDA level?
- Dhirup Choudhary** I would love to share all of that with you Mr. Singh, but we have not closed it, so as per our understanding with the seller all this information cannot be divulged at this stage, so it is not that I am hiding anything, but it is a matter of legal prohibitions that I have. I can only tell you once you know the number multiple that we have bought, we are excited, we have got a very good deal here.
- Moderator** Thank you. The next question is from the line of Jayant Mamania from Care Portfolio Managers. Please go ahead.
- Jayant Mamania** Sir, we had a patent for this Charminar Fortune in India and we were trying for patent globally, so any clarity on that part?
- Dhirup Choudhary** Yes, thank you for remembering that, yes that is a very important factor. We do not have a patent yet, we have registered a patent that is what I have said and this process normally takes two years, so the process is very much on Indian perspective which means that anyone else who tries to buy our products, do the re-engineering and try to put it back to the market will be in trouble because we are definitely going to be ahead of them in way of patent registration. We have done a PCT, which is Patent Check Test, for 120 countries around the world to see if a similar patent exists somewhere or the other, that process is on. There have been only three counts which has come forward stating there is something similar to this, but not exactly the same, so which gives a great feel to us and now we are as I speak to you today morning itself, I have given a okay to legal advisors to go ahead and register patent for this product in all the nearing countries where we want to sell this product. We have already got orders from Nepal and we have sold some quantities there, we have now got orders from South Africa where we are selling, so we want to do this patent registration in all the nearing countries so that when we supply out of India to these countries, technology does not get at all under threat.
- Jayant Mamania** This Charminar Fortune if we want to sell outside India will it be feasible to supply from here or we will have to have a separate manufacturing unit there?
- Dhirup Choudhary** Jayant, we have supplied this product through Indian roads with a lot of trans shipments, 2000 kilometers and it has sustained with the less than 1% breakages, so we are very confident about this product. It is really, really standing out for us and as I said there has been zero complaints for all that has been already seeded and established from the roots and it has seen almost 12 months weather minus one month, so I think it is doing very well, we are very bullish. As long as we are able to supply it profitably to the nearby countries from India, we will definitely do that.
- Jayant Mamania** Sir, in case of building solutions, we have one product called putty, so we are very optimistic about that and we are going to increase manufacturing side more in that case, so can you tell us the sales of putty in this quarter?
- K. R. Veerappan** We had already mentioned earlier, Rs. 14.9 crore we have sold against Rs. 2.4 crore last year, which is 527% growth.
- Jayant Mamania** What kind of capacity we have for putty, at what capacity we operating in case of putty?

- Dhirup Choudhary** Putty is 100% at this moment, Jayant, and we are trying to add capacity one more in Jhajjar, one in Golan and maybe one in Thimmapur, so there will be good traction from putty as we go forward.
- Moderator** Thank you. The next question is from the line of Nikhil Upadhyay from Securities Investment. Please go ahead.
- Nikhil Upadhyay** Sir, just one question which I had, so if I understand our initial discussions Fortune as a product is made in the same facility where we are making our Charminar product?
- Dhirup Choudhary** Yes, Sir, absolutely, thank you for your compliments, yes you are right.
- Nikhil Upadhyay** So what I wanted to understand this is in connection with the previous question what we have seen is that the Charminar product is more of a cyclical product depending upon the type of monsoon. Now, since the manufacturing side of Charminar and this Fortune would be similar, do you think that in cases of if and when the cyclicity does hit us in future, would the revenues of Fortune be enough to support the margins or support the fixed cost of the facility?
- Dhirup Choudhary** A very, very good question and an extremely intelligent question, so I must compliment you first for the question and then answer your question. It is not exactly similar lines, there is a CAPEX of about 10 to 12 crore that we have to pump in to augment the Charminar AC sheet line to our Fortune line, which is also very less so far as, it is a small amount, but we have to, so at this moment we have only one line of Kondapalli which we are using for both the products depending on use, so far as your question is concerned that is exactly what I was saying how the company can be de-risked was the main theme behind which Charminar Fortune came into existence. Today, anything happening with the roofing segment on asbestos, roofing from the Government or in way of its demand, Charminar Fortune will be well set to take over from that. In fact, if asbestos is ruled out of India today, we are the only one who can supply this product.
- Nikhil Upadhyay** Sir, just if I get it properly that whenever the seasonality is at play the volatility in the margins profile which we had seen would be much lesser with Fortune providing some stability to the revenue?
- Dhirup Choudhary** Some part of it, I will not be able to fully complement because after all it is a roofing product, so wherever and whichever season allows the roofs to be put in, this will be there so from the buying pattern of the present consumers of Charminar which is the farmers, definitely that volatility will be taken off because this will go more to the industries as we have discussed earlier, we are positioning it for the institutional clients and there the buying power would be more or less common for the year, but when it comes to rain, I think that is the months where we will be hit for the roofing segment anyway.
- Nikhil Upadhyay** Just one last question, one of the things which we have always mentioned is on the building solutions, it is a solution approach which we have been using in order to sell the AAC, the panel boards and the putty and all, if you can just highlight with some few examples as to how it is helping us in improving the margin profile of the AAC blocks or the panels and boards, because at the end of the day the customer knows that this is the AC block which I would be getting at this price from some other manufacturers or from the panel or board, this is the price, so how are we able to drive incremental margins or incremental profitability as a solution space?
- Dhirup Choudhary** There are two angles to this question and let me try and help you with the answers there. First of all, if you are only looking at the product sales, need to meet, I do not think we were ever looking at that when we talked of solution approach, so product sale, if I was to sell one block or one metric cube of block, it will give me the same

profitability as this would have earlier also if putty was not there, but the idea of bringing in our solution into building solutions is basically to go to the customer and help him setup a particular wall if I was to give an example and use all our products in one roof to be able to synthesize his development of the building quicker and therefore the added value that we are bringing to the customer by way of this solutions approach is what is attracting them more, so therefore putty sales at a reasonably better realization is happening today because we are able to sell to the customer the complete solution model.

- Moderator** Thank you. The next question is from the line of Shri Ram from Metro Investments. Please go ahead.
- Shri Ram** Sir, I have couple of questions, one is that I have seen the company you are planning to buy the Parador has shown an incremental sales growth of about just 5%. Now I think the reason can be whether the market is matured or the competition is intense for this product and for the company, what is the plan you have now further to increase the sales of the company or 5% growth?
- Dhirup Choudhary** Mr. Shri Ram, you are absolutely right, the growth in Europe in most of the companies, why only Parador, you will see it lower single digit that is how the GDP is growing in Europe, that is how the demands are and you rightly pointed out, it is a matured business, so therefore, Parador has to look outside this mature business and get into territories which are growing and growing at a much steeper rate and that is exactly the contribution that Parador will look from its mother company, which is HIL, to try and help them getting to sectors which they have not been able to get into because their earlier promoters or owners were not able to get that muscle flexed to get into growing territory, so I think that is exactly one of the reason that we have looked at Parador. It has an excess capacity at the moment. The present capacity can deliver another 30% of revenue from the same product in these plants and we are definitely going to help it look at countries where it has not been able to grow whether it is Southeast Asia, India, parts of South Africa, and try and help it because these are the areas where the demands for these products could be in good double digits.
- Shri Ram** Now, you say they have excess capacity as is now, in case they are looking for market in India, will you be importing those products?
- Dhirup Choudhary** That is right, Mr. Shri Ram, we will be importing the products, we have already made a commercial assessment of it, the market prices for similar products in India, we have looked at import duties, we have looked at freight constituents of it, while we are not able to give you all the numbers at this stage, I can say it is very favorable.
- Shri Ram** My second question here, how is that buying of Parador can help the HIL to drive the sales overseas?
- Dhirup Choudhary** I think I answered that question, at the moment we are absolutely an Indian company as far as HIL is concerned, nothing wrong with this, it is a very good and it is a credit and I am proud of being an Indian company, but if you were to cross the borders and get into any other country even Nepal or Bangladesh, you would have to set up your own networks there, the dealers there to try and push your products which can cross the borders like the Fortune Charminar or the pipes, so I think this Parador that comes to us because they have existing channels in different countries and that would be an easy route for us, whether it will take care of the cyclic pattern of our business from roofing segments, it is a bit too early to comment on that.
- Moderator** Thank you. The next question is from the line of Rama Krishna from Zen Wealth. Please go ahead.

- Rama Krishna** Sir, just a follow up in terms of the Charminar Fortune, I was hearing you mentioning that in case this asbestos in terms of India, you are the only one to have non-asbestos kind of a roofing solutions. If that was to happen, I just want to know how quickly can you modify the products on the production line so that the impact can be kind of a thing?
- Dhirup Choudhary** Mr. Rama Krishna, it is going to be much, much quicker then setting up a brand-new factory. We already have six factories which are delivering our asbestos products and two of them have two lines each and the rest of them have single lines, I think we have eight lines today that is delivering this, only one line we have augmented to manufacture Charminar Fortune which is in Kondapalli plant here. Getting the other lines to quickly come up and deliver absolutely will not be difficult and let me tell you, asbestos is not going anywhere. Indian Government is supporting asbestos, we have got the GST reduced because they know this is cheapest and the best solution, steel sheets cannot live lifelong like asbestos sheets do, steel sheets cannot stand the heat as asbestos does, steel sheet cannot offer sound protection as asbestos, you cannot sit below a steel sheet with a heavy rain and talk, a single hole in a steel sheet can completely erode it, asbestos lives the whole life as I said. We have still the products which we have manufactured 70 years old living quite healthily, so Indian Government is not going to take this off soon even if they have got any rulings around it, there are going to give us enough time to build this capacity and since the technology is only with us and we have gone ahead and already applied for the IP, I think we will be absolutely well-poised.
- Rama Krishna** Sir, one more question, you have explained about your UPVC, CPVC pipes and all, just wanted to understand, you mentioned the brand strength and kind of infrastructure support that you have to capture more market share, on the product front is there any differentiation that you are bringing in to the market on the product front?
- Dhirup Choudhary** Honestly, Mr. Rama Krishna as I see it from my lens, it is quite a commodity in the market. The differentiating factor is there could be a supplier X which is not supplying quality where there are leakages and people are not able to be satisfied with it and there is a company Y, which is supplying a product where there is no leakages, and I think we are going to be in the Y category, we are already at the Y category. The aesthetics of our product is absolutely astonishing, there is absolutely zero leakage. We have technology whereby if you pull two pipes which have been fixed together from both ends by two trucks, they will not separate we have tried this out, so I think we are going to, our entire attention is getting this best quality product up and running, so the separator is a brand pull, separator is the distribution networks that you have, separator is how much you produce, how much you sell which delivers you a profitability.
- Moderator** Thank you. The next question is from the line of Varun Ghia from Equitree Capital. Please go ahead.
- Varun Ghia** Sir, just two quick questions, firstly how will this acquisition be funded, and secondly, if you could provide the net profit number for the Calendar Year FY '17 of Parador?
- Dhirup Choudhary** I think on funding I have already answered that we will have a mix of our own internal accruals, funding from India and funding from abroad to make it as economical as possible and as tax saving as possible. The projections of Parador etc., let us hold on till we acquire that company and then discuss about it.
- Varun Ghia** The 2017 profit number also will not be available?
- Dhirup Choudhary** Yes, we will not be able to disclose any number at this stage, I am so sorry this is as per the requirement

- Moderator** Thank you. The next question is from the line of Siddharth Rajpurohit from JHP Securities. Please go ahead.
- Siddharth Rajpurohit** Sir, in the building solution segment, can you give breakup between trade and non-trade?
- Dhirup Choudhary** Siddharth, we are almost producing everything in-house, so there is hardly much. From the margin point of view from B2B and B2C, that is a number that we would not be very sure of, so let me refrain from giving you a number which I am not very sure of, it changes every month.
- Siddharth Rajpurohit** Sir, in the roofing how has the industry, what would be the industry growth rate would be in this quarter?
- Dhirup Choudhary** I think they will be lower than ours, Siddharth, but roofing segment has started growing, what is important is from three years point where it was degrowing and it had come down to the low numbers. We have seen last year, there was a slight growth and this year is looking rather favorable, so I think it is going well.
- Siddharth Rajpurohit** Our boards and panels are fiber product or cellulose product, Sir?
- Dhirup Choudhary** We are a mix of both, but majority is fibre.
- Moderator** Thank you. Ladies and Gentlemen, with this I now hand the conference over to the management for their closing comments. Over to you, Sir.
- Dhirup Choudhary** Thank you very much. Ladies and Gentlemen, it was a pleasure interacting with all of you over this call. We thank you for taking time out and engaging with us today. We value your continued interest and support and value every question that was asked to us. If you have any further questions or would like to know anything more about the company, kindly reach out to our Investor Relation desk. We look forward to also meeting you personally at an opportune moment. Thank you very and all the best.
- Moderator** Thank you very much, Sir. Ladies and Gentlemen, on behalf of HIL Limited that concludes this conference call. Thank you for joining us and you may now disconnect your lines.

- ENDS -

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