

Internal control systems and their adequacy

HIL has strong internal control systems commensurate with the business requirements, scale of operations and applicable statutes. The Board of Directors and the Audit Committee are independent of the Management and oversee the Company's internal controls' adequacy and effectiveness. Such controls are deployed through policies, SOPs and Internal Financial Control (IFC) risk and control matrices. In addition, cybersecurity and digital IT general control assessment reviews are conducted periodically with the increasing use of digital applications and exposure to an external network.

Additionally, HIL's whistle-blower policy provides a platform for various stakeholders to report and help the organisation in averting and preventing any suspicious activity or behaviour. The whistle-blower mechanism then investigates allegations of violations in a comprehensive manner with a zero-tolerance approach towards any reported cases of ethical breach. The whistle-blower policy offers complete confidentiality and protection to the whistle-blower against any attempted harassment.

HIL has an advanced internal financial controls (IFC) framework where process owner's self-assess critical controls quarterly using the control's self-assessment tool, along with external evaluations by audit partners. Revised practices are updated in the control documents and timely updates to responsibilities in the execution of controls are undertaken.

Ernst & Young (E&Y) is the Internal Audit (IA) partner. With standard risk coverage, all critical business processes are thoroughly examined to understand the operations relevant to HIL's business. The use of tools for data analytics remains an important component of the audit review. Also, HIL has an internal audit department staffed by qualified professionals

who plan, conduct, coordinate and monitor audit activities and follow up on compliance and specific actions identified.

Looking ahead, HIL will continue to leverage data analytics and automation in audit procedures to appropriately scope and deep dive into identified focus areas. HIL will continue to increase stakeholder awareness of governance, risk and compliance through training, workshops and culture-building.

Cautionary statement

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

For and on behalf of the Board of Directors
HIL Limited

Place: New Delhi
Date: May 7, 2024

CK Birla
Chairman
DIN: 00118473

Corporate Governance Report

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

CORPORATE GOVERNANCE PHILOSOPHY

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. HIL strongly believes in ethical and transparent behaviour at all levels. At HIL, good corporate governance is a way of life and integrated in the way the Company does its business, as it encompasses everyday activities and is enshrined as a part of our way of working.

The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environmental and regulatory compliances. Our actions are governed by our values and principles, which are reinforced across all levels of the organisation. These principles have been and will continue to be our guiding force in future. For the Company, good corporate governance is synonymous with sound management, fairness, transparency and adequate disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a company to take sound decisions. This also enables the Board and management to achieve the goals and objectives effectively for the benefit of the Company and all its stakeholders such as customers, shareholders, creditors and employees.

Key elements of Corporate Governance include shareholders' rights, transparency, disclosure, internal controls, risk management, ethical behaviour, internal and external communications, high standards of safety, health, environment, accounting fidelity, product & service quality,

stakeholder engagement and compliance. The Board has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review processes/mechanisms to achieve the said purpose. The Company continuously strives to achieve excellence in corporate governance through its values - Integrity, Commitment, Passion, Seamlessness and Speed.

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "SEBI Listing Regulations"], the details of compliance for the financial year ended March 31, 2024 are as follows:

BOARD OF DIRECTORS

(a) Composition and other related matters:

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

Composition of Board of Directors during the financial year 2023-24, number of Directorships including committee positions held by them as on March 31, 2024 are given below:

Name of the Director	Category of Directorship	Number of Directorships in Companies (including HIL)			Number of Committee positions (including HIL) ⁽²⁾	
		Total Directorships ⁽¹⁾	Directorships in listed Companies	Directorships in other Public Companies	Chairman	Member
Mr.CK Birla (DIN: 00118473)	Chairman Promoter Non-Executive	8	5	3	1	1
Mr. Desh Deepak Khetrpal (DIN: 02362633)	Non-Executive Director	3	3	-	-	5
Ms. Gauri Rasgotra (DIN: 06862334)	Independent Director	2	2	-	2	4
Dr. Arvind Sahay (DIN: 03218334)*	Independent Director	4	2	2	1	6
Mr. Sunil Ramakant Bhumralkar (DIN: 00177658)#	Independent Director	1	1	-	1	2

Name of the Director	Category of Directorship	Number of Directorships in Companies (including HIL)			Number of Committee positions (including HIL) ⁽²⁾	
		Total Directorships ⁽¹⁾	Directorships in listed Companies	Directorships in other Public Companies	Chairman	Member
Mr. VV Ranganathan (DIN: 00060917)*	Independent Director	1	1	-	-	1
Mr. Akshat Seth (DIN: 10039820)	Managing Director & CEO	1	1	-	-	1

*During the financial year, Dr. Arvind Sahay was re-appointed as an independent director for second term of five (5) years with effect from February 8, 2024 to February 7, 2029.

*Mr. Sunil Bhumralkar was appointed as an Independent Director of the Company with effect from March 18, 2024.

*Mr. VV Ranganathan ceased to be an Independent Director of the Company w.e.f. March 19, 2024 upon completion of his term.

Notes:

- (1) Excludes Directorships/Chairpersonships in private limited companies, foreign companies, companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships.
- (2) Represents Chairpersonships/Memberships of Audit and Stakeholders Relationship Committees in all public limited companies as required under Regulation 26(1)(b) of SEBI Listing Regulations.

Details of directorship of Directors of the Company as on March 31, 2024, in other listed entities:

S. No.	Director	Listed Companies	Designation in the other company
1	Mr. CK Birla	Orient Paper & Industries Limited	Non-Executive Chairman
		Orient Cement Limited	Non-Executive Chairman
		Orient Electric Limited	Non-Executive Chairman
		Birlasoft Limited	Non-Executive Director
2	Mr. Desh Deepak Khetrpal	Orient Cement Limited	Managing Director & CEO
		Orient Electric Limited	Managing Director
3	Ms. Gauri Rasgotra	Orient Paper & Industries Limited	Independent Director
4	Dr. Arvind Sahay	IFCI Limited	Independent Director
5	Mr. Sunil Ramakant Bhumralkar	-	-
6	Mr. Akshat Seth	-	-

Declarations:

- ▶ The composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations.
- ▶ There is no relationship between the directors, inter se.
- ▶ None of the Directors on the Board are directors in more than seven listed companies as required under Regulation 17A of SEBI Listing Regulations.
- ▶ None of the Independent Directors are serving as an independent director in more than seven listed entities as required under Regulation 17A of SEBI Listing Regulations.
- ▶ None of the Independent Directors are Managing Director or Whole Time Director on other listed entities as required under Regulation 17 of SEBI Listing Regulations.

- ▶ Independent Director means a Director as defined under Regulation 16 of the SEBI Listing Regulations and Section 149 of the Act and all the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulations 16(1)(b) and 25 of the SEBI Listing Regulations and Section 149(6) of the Act. In opinion of the Board, all the Independent Directors fulfils the conditions specified under SEBI Listing Regulations and the Act and are independent of the management.
- ▶ None of the Directors on the Board is a member of more than ten (10) committees and Chairman of more than five (5) committees across all the companies in which he/she is a Director as required under Regulation 26 of SEBI Listing Regulations.
- ▶ Except Mr. CK Birla, who holds 51,376 equity shares representing 0.68%, none of the other Non-executive Directors holds, directly or indirectly, shares or control in the Company.

- ▶ During the financial year 2023-24, information as specified in Part A of Schedule II to the Regulations such as annual operating plans and budgets, capital budgets, financial results of the Company, foreign currency exposures on quarterly basis and such other information as and when applicable were placed before the Board for its consideration.
- ▶ The senior management personnel confirmed that they don't have any personal interest in respect of any material financial and commercial transactions entered into by the Company, which may have a potential conflict with the interest of the Company at large.
- ▶ The maximum tenure of independent directors is in accordance with the provisions of the Companies

Act, 2013 and Rules made thereunder read with Regulation 25 of SEBI Listing Regulations.

- ▶ The Company has suitable Directors & Officers Insurance Policy obtained with adequate coverage and complies the requirement of Regulation 25(10) of SEBI Listing Regulations.
- ▶ A formal letter of appointment is issued to all Independent Directors, a specimen of which is been placed on the Company's website <https://hil.in/investor-relations/letter-of-appointments-terms-of-independent-director/>. Details of Directors along with their profile are forming part of 77th Annual Report.

Key Skills, Expertise and Competencies of the Board of Directors:

The Board of the Company is adequately structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise, special skills and geography. The Board of Directors has, based on the recommendations of the Nomination and Remuneration cum Compensation Committee, identified the following core skills/expertise/competencies as required in the context of the businesses and sectors of the Company for its effective functioning and the same is mapped against each of the Directors:

Core skills/expertise / competencies	Mr. CK Birla	Mr. Desh Deepak Khetrpal	Ms. Gauri Rasgotra	Dr. Arvind Sahay	Mr. Sunil Ramakant Bhumralkar	Mr. Akshat Seth
Governance and Board service	Yes	Yes	Yes	Yes	Yes	Yes
Business understanding	Yes	Yes	Yes	Yes	Yes	Yes
Risk/Legal/Regulatory compliance	Yes	Yes	Yes	Yes	Yes	Yes
Information Technology/Accounting/Financial experience	Yes	Yes	Yes	Yes	Yes	Yes
Industry/Sector Knowledge	Yes	Yes	Yes	Yes	Yes	Yes
Strategy development and implementation	Yes	Yes	Yes	Yes	Yes	Yes

The current composition of the Board meets the requirements of skills, expertise and competencies as identified above.

(b) Board Meetings and Procedures:

During the year under review, 8 (Eight) Board meetings were held (as detailed below) and the maximum time-gap between any two consecutive meetings was not more than one hundred and twenty days, thereby complying with the applicable statutory requirements.

Date of Board meeting	Board Strength	No. of Directors Present	Percentage
May 15, 2023	6	5	83%
July 15, 2023	6	6	100%
July 31, 2023	6	5	83%
September 01, 2023	6	6	100%
November 01, 2023	6	5	83%
February 02, 2024	6	6	100%
March 11, 2024	6	5	83%
March 28, 2024	6	5	83%

Name of the Director	Designation	No. of Board Meetings eligible to attend	Attendance	Percentage	Attendance in AGM held on July 31, 2023
Mr. CK Birla	Chairman & Non-Executive Director	8	8	100%	Yes
Mr. Desh Deepak Khetrpal	Non-Executive Director	8	8	100%	Yes
Ms. Gauri Rasgotra	Independent Director	8	3	37.5%	No
Dr. Arvind Sahay	Independent Director	8	8	100%	Yes
Mr. Sunil Bhumralkar (w.e.f. March 18, 2024)	Independent Director	1	1	100%	NA
Mr. Akshat Seth	Managing Director & CEO	8	8	100%	Yes
Mr. VV Ranganathan (till March 18, 2024)	Independent Director	7	7	100%	Yes

The Board of Directors is an apex body constituted by the members for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic directions of the Company, Management's policies and their effectiveness and ensures that the long-term interests of the shareholders are being served.

The Board meetings are generally held at the Corporate Office of the Company at Birla Tower, 25, Barakhamba Road, New Delhi. During the year under review, the Board meeting(s) were held with an option to participate in meeting through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') as per the facility enabled by Ministry of Corporate Affairs (MCA). The dates of the Board Meetings are finalized in consultation with all Directors well in advance. The Board is regularly apprised and has access to all important business-related information. All major agenda items are backed up with relevant and comprehensive background information, they are sent well in advance of the date of the Board Meeting(s) to enable the Board Members to take informed decision. In case of exigencies/sensitive matters, the details are directly placed at the meeting, with the permission of the Chair or the same are circulated at a shorter notice. Any Board member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the Board meeting for consideration by the Board. The agenda for the Board Meetings covers items as per the Companies Act, 2013 and SEBI Listing Regulations to the extent these are relevant and applicable.

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

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

The Company has an effective post meeting follow up procedure. The important decisions taken at the Board Meeting are communicated to the respective departments after the meetings for the implementation of the said decisions. Furthermore, the Board periodically reviews compliance status of all applicable laws to the Company as well as steps taken by the Company to rectify instances of non-compliance, if any.

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

(c) Independent Directors:

The Independent Directors fulfil the criteria of independence as provided in Section 149(6) of the Act read with Schedule IV of the Companies Act, 2013 and Regulation 16(b) of SEBI Listing Regulations and have submitted their declaration of independence. All the Independent Directors have been appointed for a term of five years and letter of appointment containing detailed terms and conditions of their appointment were issued to all Independent Directors.

During the year under review, 1 (One) meeting of the Independent Directors of the Company was held on March 28, 2024 without the attendance of Non-Independent Directors and members of Management to, inter alia,

- (a) Review the performance of Non-independent Directors and the Board of Directors as a whole

- (b) Review the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors
- (c) Assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

(d) Board Induction, Training and Familiarisation:

At the time of appointing a Director, a formal letter of appointment is given to them, which inter alia explains the terms and conditions of their appointment, role, function, duties and responsibilities expected of them as a Director/ Independent Director of the Company. They are also explained in detail the compliances required from them under the Companies Act, SEBI Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other relevant regulations on regular basis.

The Directors immediately upon appointment are familiarised with the Company's business model and its operations and industry of which it is a part. Interactions are held between the Directors and Senior Management Personnel of the Company at regular intervals. Directors are familiarised with the organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. They are also provided with all the documents sought by them to have a better understanding of the Company.

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

The details of such familiarization programmes for Independent Directors are available on <https://hil.in/investorrelations/familiarization-program/>.

(e) Performance of the Board and evaluation:

Pursuant to provisions of the Companies Act, 2013 and SEBI Listing Regulations, a formal evaluation mechanism has been adopted by the Board for evaluating its own performance, the Directors individually, Chairman as well as the evaluation of the functioning of its Audit Committee, Nomination and Remuneration cum Compensation Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

- ▶ The performance evaluation was done using structured evaluation forms, as recommended by the Nomination and Remuneration cum Compensation Committee covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees,

Board culture, execution and performance of specific duties, obligations and governance which were circulated to all the members of the Board along with the agenda papers for evaluation of the performance of the Board, its Committees and its Directors. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated.

- ▶ The members of the Board evaluated the performance by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally be submitted to the Chairman at the concerned meeting. Evaluation of individual director's performance is based on various parameters like director's profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.
- ▶ Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board/Committee/Individual Director and formulated a final collective evaluation of the Board. The Board also provided individual feedback to the concerned Director on areas of improvement, if any.

COMMITTEES OF DIRECTORS

In terms of the SEBI Listing Regulations and the Act, the Board has constituted 5 (five) Committees viz. Audit Committee, Nomination and Remuneration cum Compensation Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. Keeping in view the requirements of the Companies Act, 2013 as well as the SEBI Listing Regulations, the Board decides the terms of reference of these Committees. The recommendations of these Committees, if any, are submitted to the Board for approval and the same have been accepted by the Board.

(a) Audit Committee

Composition and Meetings:

As on March 31, 2024, the Audit Committee comprised of 4 (four) members amongst them 3 (three) are Non-Executive Independent Directors and 1 (one) Non-Executive Director, in compliance with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.

The Committee is empowered with the powers as prescribed under Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

The terms of reference of the Audit Committee are as under:

Primarily, the Audit Committee is responsible for:

1. Overseeing the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, appointment, re-appointment, remuneration and terms of appointment of Auditors of the Company.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Examining and reviewing with the Management, the financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement which is to be included in the Board's Report in terms of section 134(3)(c) of the Companies Act, 2013.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by the Management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Modified opinions in draft audit reports.
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency tracking the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the Auditor's independence and performance and effectiveness of the audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with Internal Auditors on any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area(s) of concern.
17. Looking into the reasons of substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. Reviewing the functioning of vigil mechanism.
19. Approval of appointment of Chief Financial Officer (i.e., whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments as on the date of coming into force of this provision.

21. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., of the listed entity and its shareholders.
22. Reviewing of Management Discussion and Analysis of financial condition and results of operations.
23. Reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors.
24. Reviewing internal audit reports relating to internal control weaknesses.
25. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor..
26. Reviewing the statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and 32(7) of SEBI Listing Regulations.
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.
27. All such acts as may be specified by the Board from time to time.

During the year under review, 5 (five) Audit Committee Meetings were held and the maximum gap between any two meetings was not more than one hundred and twenty days. The dates of Audit Committee meetings held during the year, its composition and attendance of the Committee members at the meetings is as under:

Date of Audit Committee Meeting	Strength	No. of Directors Present	Percentage
May 15, 2023	4	3	75%
July 15, 2023	4	4	100%
July 31, 2023	4	3	75%
November 01, 2023	4	3	75%
February 02, 2024	4	3	75%

Name of the Director	Designation	No. of meetings	Attendance	Percentage
Mr. Sunil Ramakant Bhumralkar (w.e.f. March 19, 2024)	Chairman	NA	NA	NA
Mr. Desh Deepak Khetrapal	Member	5	5	100%
Ms. Gauri Rasgotra	Member	5	1	20%
Dr. Arvind Sahay	Member	5	5	100%
Mr. VV Ranganathan (till March 18, 2024)	Outgoing Chairman	5	5	100%

All members of the Audit Committee have requisite qualification for appointment on the Committee and they also possess sound knowledge of finance and accounting practices and have related management expertise by virtue of their experience and background. The Chairman of the Audit Committee has one-on-one meetings with both the Internal Auditors and the Statutory Auditors on a periodic basis to discuss key concerns, if any.

The outgoing Chairman of the Audit Committee, Mr. VV Ranganathan, was present at the Annual General Meeting of the Company held on July 31, 2023 and the Company Secretary acts as a Secretary to the Audit Committee.

Statutory Auditors, Head of Internal Audit, external independent Internal Auditors, Group Internal Auditor, Managing Director & CEO and Chief Financial Officer are permanent invitees to the Committee meetings and they participate in meetings to brief the Committee

and to answer and clarify queries raised by the Committee members.

(b) Nomination and Remuneration cum Compensation Committee

i. Composition and Meetings

As on March 31, 2024, the Nomination and Remuneration cum Compensation Committee comprised of 4 (four) Non-Executive Directors out of which 3 (three) are Independent Directors. The Committee is empowered with the powers as prescribed under Regulation 19 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

The terms of reference of the Nomination and Remuneration cum Compensation Committee are as under:

1. Identifying candidates who are qualified to become directors and who may be appointed

- in senior management in accordance with the criteria laid down.
2. Recommending to the Board, appointment and removal of directors and senior management.
3. Recommending to the Board, whether to extend or continue the term(s) of appointment of the independent director, based on the report of the performance evaluation of independent directors.
4. Formulating the criteria for evaluation of independent directors and the Board and carrying out evaluation of every director's performance.
5. Formulating the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
6. Devising a policy on Board diversity.
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
8. Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the roles and capabilities required on every appointment of an independent director. The candidate recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (a) use the services of external agencies, if required.
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity.
 - (c) consider the time commitments of the candidates.
9. To do such act(s) as specifically prescribed by the Board.
10. Carrying out functions, and is empowered to act, in terms of Companies Act, 2013, read with rules framed thereunder and SEBI Listing Regulations including any amendment or modification thereof.

The dates of the Committee meetings held during the year, its composition and attendance of the Committee members at the meetings is as under:

Date of Committee Meeting	Strength	No. of Directors Present	Percentage
May 15, 2023	4	3	75%
July 15, 2023	4	4	100%
September 01, 2023	4	4	100%
February 02, 2024	4	4	100%

Name of the Director	Designation	No. of meetings	Attendance	Percentage
Dr. Arvind Sahay*	Chairman	4	4	100%
Ms. Gauri Rasgotra	Member	4	3	75%
Mr. CK Birla	Member	4	4	100%
Mr. Sunil Ramakant Bhumralkar (w.e.f. March 28, 2024)	Member	NA	NA	NA
Mr. VV Ranganathan (till March 18, 2024)	Outgoing Chairman	4	4	100%

*Appointed as Member w.e.f. May 15, 2023 and Chairman w.e.f. March 28, 2024

ii. Nomination, Remuneration & Evaluation Policy

The Nomination and Remuneration cum Compensation Committee and the Board of Directors have devised a Nomination, Remuneration & Evaluation Policy ("Remuneration Policy") of the Company to create a high-performance culture. It enables the Company to attract, retain and motivate Directors on the Board, Key Managerial Personnel and the Senior Management Team. HIL's

business model promotes customer centricity and requires employee mobility to address various project needs. The Remuneration Policy supports such mobility through appropriate pay models that are at par with industry standards.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component), variable pay and other

benefits including long-term incentive benefits to its Managing Director & CEO, Key Managerial Personnel and other Senior Management Team of the Company. Annual increments are recommended by the Nomination and Remuneration cum Compensation Committee which are normally effective from April 1st, of every year. Based on the performance of the Company vis-a-vis the concerned employee, the Nomination and Remuneration cum Compensation Committee decides and recommends to the Board of Directors the variable amount payable to them. The Nomination and Remuneration cum Compensation Committee also decides, and recommends to the Board of Directors, the remuneration (commission) payable to the Non-Executive Directors in addition to sitting fees which are paid for attending the Board and Committee Meetings.

The Nomination, Remuneration & Evaluation Policy of the Company, as adopted by the Board of Directors is available on the website of the Company and can be accessed through the following link: <https://hil.in/investor-relations/policies/>.

The key objectives of this Policy include:

- a. Guiding the Board of Directors in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- b. Specifying the manner for effective evaluation of the performance of members of the Board, the Board as a whole and Committees thereof, and review its implementation and compliance.
- c. Recommending to the Board the remuneration, in whatever form, payable to the Directors, Key Managerial Personnel and Senior Management Personnel.

iii. Succession Planning

The Nomination and Remuneration cum Compensation Committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board, in an endeavour to introduce new perspectives while maintaining experience and continuity.

By integrating workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met.

Our Board members bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

iv. Criteria for selection of Directors

- ▶ The Nomination and Remuneration cum Compensation Committee identifies and ascertains the integrity, qualification, expertise and experience of the candidate for appointment as a director and ensures the same.
- ▶ The Nomination and Remuneration cum Compensation Committee ensures that the candidate proposed for appointment as director, is compliant with the provisions of the Act and of the SEBI Listing Regulations.
- ▶ The candidate's appointment as recommended by the Nomination and Remuneration cum Compensation Committee requires the approval of the Board.
- ▶ In case of appointment of Independent Directors, the Nomination and Remuneration cum Compensation Committee satisfies itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.
- ▶ The Nomination and Remuneration cum Compensation Committee ensures that the candidate identified for appointment as a director is not disqualified for appointment under section 164 of the Act or by any order of SEBI or any other regulatory authority.

(c) Stakeholders' Relationship Committee:

i. Composition and Meetings

As on March 31, 2024 the Stakeholders' Relationship Committee comprised of 4 (four) members out of which 3 (three) are Independent Directors and is in conformity with the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Committee, inter alia, are as under:

1. Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the

quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

In accordance with SEBI Listing Regulations, the Board has authorised the Company Secretary, who is also the Compliance Officer, to oversee the redressal of investor complaints.

The dates of the Committee meetings held during the year, its composition and attendance of the Committee members at the meetings is as under:

Date of Committee Meeting	Strength	No. of Directors Present	Percentage
May 15, 2023	3	2	67%
July 31, 2023	3	2	67%
November 01, 2023	3	3	100%
February 02, 2024	3	3	100%

Name of the Director	Designation	No. of meetings	Attendance	Percentage
Ms. Gauri Rasgotra	Chairperson	4	2	50%
Dr. Arvind Sahay	Member	4	4	100%
Mr. Sunil Ramakant Bhumralkar (w.e.f March 28, 2024)	Member	NA	NA	-
Mr. Akshat Seth (w.e.f March 28, 2024)	Member	NA	NA	-
Mr. VV Ranganathan (till March 18, 2024)	Member	4	4	100%

ii. Compliance Officer

Ms. Nidhi Bisaria, Company Secretary of the Company is designated as the Compliance Officer of the Company with effect from September 2, 2023. During the year the following are the changes in Company Secretary and Compliance Officer:

S. No.	Name of the Person	Designation
1.	Ms. Nidhi Bisaria	Company Secretary and Compliance Officer (w.e.f. September 02, 2023)
2.	Mr. Kamal Saboo	Company Secretary and Compliance Officer (from July 15, 2023 till September 01, 2023)
3.	Mr. Ajay Kapadia, Vice-President (Finance & Accounts)	Designated Compliance Officer (from January 28, 2023 till July 14, 2023)

iii. Status of Investor Complaints

The status of investor complaints as on March 31, 2024 as reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

No. of Investors' complaints received from April 1, 2023 to March 31, 2024	No. of Investors' complaints resolved from April 1, 2023 to March 31, 2024	No. of Investors' complaints pending as of March 31, 2024
1	1	NIL

(d) Corporate Social Responsibility (CSR) Committee:

As on March 31, 2024, Corporate Social Responsibility (CSR) Committee comprised of 4 (four) Directors i.e. one Non-Executive Director, one Executive Director and two Independent Directors. During the year under review, Corporate Social Responsibility (CSR) Committee met 4 (four) times on May 15, 2023, July 31, 2023, November 01, 2023 and February 02, 2024. The composition of the Corporate Social Responsibility (CSR) Committee and the attendance of each Member of the Committee at the meetings is as follows:

Name of the Director	Designation	No. of meetings	Attendance	Percentage
Mr. Desh Deepak Khetrpal	Chairman	4	4	100%
Ms. Gauri Rasgotra	Member	4	2	50%
Mr. Sunil Ramakant Bhumralkar (w.e.f. March 28, 2024)	Member	NA	NA	-
Mr. Akshat Seth (w.e.f. March 28, 2024)	Member	NA	NA	-
Mr. VV Ranganathan (till March 18, 2024)	Member	4	4	100%

The terms of reference of the CSR Committee, inter alia, are as under:

- ▶ Formulate and recommend to the Board the Corporate Social Responsibility Policy ('CSR Policy') containing guiding principles for selection, implementation and monitoring of CSR activities as specified under Schedule VII to the Act;
- ▶ Recommend the amount to be spent on CSR activities and review reports on performance of CSR;
- ▶ Review and monitor the Company's CSR Policy and activities of the Company on behalf of the Board to ensure that the Company is in compliance with appropriate laws and legislations;
- ▶ Provide guidance to management to evaluate long term strategic proposals (including technologies adopted) with respect to CSR implications;
- ▶ Formulate and recommend to the Board (including any revisions thereto), an annual action plan in pursuance of the CSR policy and have an oversight over its implementation; and
- ▶ Review the impact assessment carried out for the projects of the Company as per the requirement of the law.

During the year under review, Risk Management Committee (RMC) met on May 15, 2023 and November 01, 2023. The composition of the Risk Management Committee (RMC) and the attendance of each Member of the Committee is as follows:

Name of the Director / KMP / Senior Management	Designation	No. of meetings	Attendance	Percentage
Mr. Sunil Ramakant Bhumralkar (w.e.f. March 19, 2024)	Chairman	NA	NA	-
Mr. Desh Deepak Khetrpal	Member	2	2	100%
Ms. Gauri Rasgotra	Member	2	1	50%
Dr. Arvind Sahay	Member	2	2	100%
Mr. Akshat Seth	Member	2	2	100%
Mr. Ajay Kapadia (w.e.f. July 24, 2023)	Member	1	1	100%
Mr. Purav Gala	Member	2	2	100%
Mr. VV Ranganathan (till March 18, 2024)	Outgoing Chairman	2	2	100%
Mr. Saikat Mukhopadhyay (till July 23, 2023)	Member	1	1	100%

The CSR Policy of the Company is available on the Company's website and can be accessed at <https://hil.in/investor-relations/policies/>. The CSR Annual Report, as required under the Companies Act, 2013, for the year ended March 31, 2024, is attached as Annexure I to the Board's report.

(e) Risk Management Committee:

i. Composition and Meetings

As on March 31, 2024, the Risk Management Committee (RMC) comprised of 7 (seven) members out of which 4 (four) are Non-executive Directors consisting of 3 (three) Independent Directors and 1 (one) Non-executive Director; 2 (two) Key Managerial Personnel out of which 1 (one) is Executive Director (Managing Director & CEO) and the other 1 (one) is Chief Financial Officer; 1 (one) Head Internal Audit. The Company Secretary acts as the Secretary of the Risk Management Committee. The Committee is empowered with the powers as prescribed under Regulation 21 of SEBI Listing Regulations and Section 134 of the Companies Act, 2013. The Committee also acts as per the terms of reference and directions of the Board from time to time.

The terms of reference of the RMC, inter alia, are as under:

- ▶ To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks) information, cyber security risks or any other risk as may be determined by the Committee;
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks;
 - c. Business continuity plan
- ▶ To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- ▶ To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- ▶ To periodically review the risk management policy, at least once in two years, including by

considering the changing industry dynamics and evolving complexity;

- ▶ To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- ▶ The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the RMC.
- ▶ The RMC shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

REMUNERATION OF DIRECTORS

Remuneration of Managing Director & CEO

The Company pays remuneration to its Managing Director & CEO by way of salary and other benefits as per the terms agreed with the Company and as approved by the Board of Directors and shareholders of the Company in accordance with the provisions of the Act and SEBI Listing Regulations including any amendment(s) or re-enactment(s) thereof from time to time.

Remuneration paid/accrued to the Managing Director & CEO for the financial year ended March 31, 2024 is as follows:

Name	Salary and allowances (₹)*	Perquisite (₹)	Retiral Benefits (₹)	Annual performance variable pay* (₹) and performance criteria	Long term Cash Incentive* (₹) and performance criteria	Total (₹)	Stock Options granted	Notice Period	Severance Pay
Mr. Akshat Seth	4,88,45,040/- p.a.	20,05,816/- p.a.	18,42,000/- p.a.	2,01,17,828/- (Managing Director & CEO's performance and Company's performance)	1,26,00,000/- (Company's performance against targets)	8,45,10,684/- p.a.	NIL	Three months	NIL

*Annual Performance variable pay and long-term cash incentive are as accrued for the financial year 2023-24.

- ▶ Mr. Seth holds 36,603 stock options convertible into equivalent number of equity shares of the Company on or after July 17, 2024 to the extent of 14,641 stock options and remaining 21,962 stock options on or after April 1, 2025, as and when exercised by him in terms of the HIL Limited Employee Stock Option Scheme 2023.
- ▶ The overall managerial remuneration paid/ payable for the financial year 2023-24 to Mr. Akshat Seth would exceed the limits stipulated under the provisions of section 197 of the Companies Act 2013, i.e., 5% of the net profits of the Company, calculated as per Section 198 of the Act. The Board in its meeting held on May 7, 2024 has proposed to increase limit of the managerial remuneration in excess of 5% of the net profits of the Company, calculated as per Section 198 of the Act, up to a limit of 8% of the net profits of the Company, for the financial year 2023-24, subject to approval of shareholders. Accordingly, necessary resolution seeking shareholders' approval by way of special resolution pursuant to the provisions of section 197 read with Schedule V of the Companies Act 2013 has been included in the Notice of 77th AGM.

Remuneration of Non-Executive Directors

The remuneration paid/payable to each of the Non-executive Directors for the financial year ended March 31, 2024 is as under: (₹ in lakh)

Name of director	Sitting Fee	Commission	Total
Mr. CK Birla	10.00	45.00	55.00
Mr. Desh Deepak Khetrpal	16.00	17.50	33.50
Ms. Gauri Rasgotra	8.00	12.50	20.50
Dr. Arvind Sahay	18.00	12.50	30.50
Mr. Sunil Bhumralkar	1.00	0.67	1.67
Mr. VV Ranganathan	19.00	16.83	35.83
Total	72.00	105.00	177.00

Notes:

- a. The Members of the Company at the Annual General Meeting held on July 28, 2016 approved payment of remuneration in the form of commission to Non-Executive Directors of the Company for each financial year commencing from April 01, 2016. All the Non-Executive Directors are eligible to receive commission up to an aggregate amount of 1% of net profits as calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, as recommended by Nomination and Remuneration cum Compensation Committee and approved by the Board in accordance with the provisions of section 197 of the Companies Act, 2013, in addition to the sitting fees.
- b. Sitting fee is paid to the Non-executive Directors for attending the Board Meetings, Audit Committee Meetings, Stakeholders' Relationship Committee Meetings, Corporate Social Responsibility Committee Meetings, Nomination and Remuneration cum Compensation Committee Meetings and Risk Management Committee Meetings.
- c. The Executive Director is employee of the Company and is subject to service conditions as per the Company's policy. There is no separate provision for payment of severance fees.
- d. As on March 31, 2024, none of the Independent Directors hold stock options or shares of the Company.
- e. The Non-Executive Independent Directors on the Company's Board, apart from receiving sitting fees and commission, if any, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries or associate companies.
- f. Details of the Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting, as required under Regulation 36 of SEBI Listing Regulations are provided in the Notice convening 77th Annual General Meeting.
- g. Mr. VV Ranganathan, member of the Stakeholders' Relationship Committee was present at 76th Annual General Meeting of the Company held on July 31, 2023.
- h. Criteria for making payment to Non-Executive Directors: The criteria of making payment to the Non-Executive directors is based on the varied roles played by them towards the Company. It is not just restricted to corporate governance or performance of the Company, but they also bring along with them significant professional expertise and rich experience across the wide spectrum of functional areas. There are no payments made to Non-Executive Directors apart from sitting fee, remuneration in the form of commission and reimbursements of expenses, if any for attending the meetings of the Company.
- i. A disclosure on Employee Stock Options, issue price, holding of ESOPs by KMPs, details of exercise, vesting, etc., is provided on website of the Company at <https://hil.in/investor-relations/>.

SENIOR MANAGEMENT PERSONNEL

Below are the particulars of senior management personnel of the Company as on March 31, 2024 and changes therein during the financial year 2023-24:

S. No.	Name	Designation/ Role
1	Mr. Akshat Seth	Managing Director & CEO
2	Mr. Ajay Kapadia	Chief Financial Officer (w.e.f. July 24, 2023)
3	Ms. Nidhi Bisaria	Company Secretary (w.e.f. September 2, 2023)
4	Ms. Avanti Birla	President - Strategy
5	Mr. Vijay Lahoti	Business Head (Roofing & Building Solutions)
6	Mr. Arun Kumar Magoo	Business Head (Polymer & CC)

S. No.	Name	Designation/ Role
7	Ms. Surbhi Puri Bist	Chief Human Resource Officer (w.e.f. July 26, 2023)
8	Mr. Purav Gala	Head - Internal Audit
9	Mr. Peeyush Bachlaus	Chief Marketing Officer (w.e.f. September 4, 2023)
10	Mr. Dilip Kastala	Chief Information Officer (w.e.f. June 19, 2023)
11	Mr. Mudit Agarwal	Head - Strategy (w.e.f. August 17, 2023)
12	Mr. Sunit Kumar Dey	Head - Procurement
13	Mr. Saikat Mukhopadhyay	Chief Financial Officer (till July 23, 2023)
14	Mr. Kamal Saboo	Company Secretary (from July 15, 2023 till September 1, 2023)

SUBSIDIARY COMPANY

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

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

- Quarterly updates on the business and financial performance of the Material Subsidiary is presented by the Managing Director & CEO to the Audit Committee and the Board of the Company.
- Review of financial statements, investments made by the subsidiary.
- Statement of all significant transactions and arrangements entered into by the subsidiaries.
- Compliance certificates as required.

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

GENERAL BODY MEETINGS

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

Financial Year	Date & Time of AGM	Venue of AGM
2022-23	Monday, July 31, 2023 at 3:00 pm IST	Held via two-way Video Conferencing ('VC') facility or other audio visual means ('OAVM') and deemed venue of the meetings was registered office situated at Office Nos. 1&2, 7th Floor, SLN Terminus, beside Botanical Garden, Gachibowli, Hyderabad - 500 032
2021-22	Friday, July 29, 2022 at 3:00 pm IST	
2020-21	Friday, July 30, 2021 at 3:00 pm IST	

- The details of special resolution(s) passed at the last three Annual General Meetings are as follows:

In the Annual General Meeting held on July 31, 2023	Nil
In the Annual General Meeting held on July 29, 2022	<ol style="list-style-type: none"> To consider and ratify re-appointment of Mr. Dhirup Roy Choudhary (DIN: 07707322) as the Managing Director (MD) and Chief Executive Officer (CEO) of the Company for a further term of 5 (five) years effective January 16, 2022 until January 15, 2027. Increase in managerial remuneration limit payable to Mr. Dhirup Roy Choudhary, Managing Director and Chief Executive Officer of the Company, in excess of 5% of the net profits of the Company for the financial year 2021-22.
In the Annual General Meeting held on July 30, 2021	Nil

- During the financial year 2023-24 the following 2 special resolutions were passed through postal ballot by the shareholders of the Company on April 4, 2023 through Postal Ballot Notice dated March 3, 2023:

- Approval of HIL Limited Employee Stock Option Scheme 2023:

Particulars	Remote e-Voting
Total number of valid votes	36,73,314
Votes cast in favour of the resolution	35,61,394
Votes cast against the resolution	1,11,920
Number of invalid votes	-

- Approval for payment of managerial remuneration in excess of 5% of net profits of the Company for the financial year 2022-23.

Particulars	Remote e-Voting
Total number of valid votes	36,73,164
Votes cast in favour of the resolution	36,61,751
Votes cast against the resolution	11,413
Number of invalid votes	-

- Subsequent to March 31, 2024, the following three special resolutions were passed through postal ballot by the shareholders of the Company on May 2, 2024 through Postal Ballot Notice dated March 28, 2024:

- Re-appointment of Dr. Arvind Sahay (DIN: 03218334) as an Independent Director of the Company.

Particulars	Remote e-Voting
Total number of valid votes	27,39,282
Votes cast in favour of the resolution	26,64,371
Votes cast against the resolution	74,911
Number of invalid votes	-

- Appointment of Mr. Sunil Ramakant Bhumralkar (DIN 00177658), as an Independent Director of the Company.

Particulars	Remote e-Voting
Total number of valid votes	27,39,245
Votes cast in favour of the resolution	27,38,810
Votes cast against the resolution	435
Number of invalid votes	-

- Appointment of Ms. Nidhi Jagat Killawala (DIN: 05182060) as an Independent Director of the Company.

Particulars	Remote e-Voting
Total number of valid votes	27,39,245
Votes cast in favour of the resolution	27,38,598
Votes cast against the resolution	647
Number of invalid votes	-

Procedure followed for Postal Ballot/ E-voting:

- In terms of the provisions of Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules") and other applicable provisions, if any, of the Act and the Rules, General Circular No. 9/2023 dated September 25, 2023, read along with General Circular Nos. 11/2022 dated December 28, 2022, 3/2022 dated May 5, 2022, 20/2021 dated December 8, 2021, 10/2021 dated June 23, 2021, 39/2020 dated

December 31, 2020, 33/2020 dated September 28, 2020, 22/2020 dated June 15, 2020, 17/2020 dated April 13, 2020 and 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars"), Regulation 44 of SEBI Listing Regulations, the postal ballot process was conducted by way of electronic voting only. The Company engaged the services of National Securities Depository Limited ("NSDL") for the purpose of providing e-voting facility.

- b. In accordance with the MCA Circulars, the Notices of Postal Ballot along with the instructions regarding e-voting were sent only by e-mail to all those Shareholders.
- c. Mr. Mohit Gujar (Membership No. 20557, CP No. 18644) of M/s. P.S. Rao & Associates, Practising Company Secretaries, Hyderabad, was appointed as the Scrutinizer to conduct the Postal Ballots processes in a fair and transparent manner.

MEANS OF COMMUNICATION:

The Company acknowledges communication as a crucial component of the Corporate Governance framework and investors thereby honouring their commitment towards the Company's vision. Prompt and efficient communication with the investor community/external constituencies enables them to be aware of the Company's business activities, strategy and future prospects. For this purpose, the Company provides multiple channels of communications through the following ways:

Financial Results

The quarterly/half-yearly/annual financial results are published within the timeline stipulated under SEBI Listing Regulations. The results are also uploaded on NSE and BSE through their respective portals. The financial results are generally published in newspapers viz. 'Business Standard' (in English) and 'Surya' (in Vernacular Language). They are displayed under 'Investors Relation' section of the Company's website viz. <http://hil.in>.

Company's Website

Company's website <http://hil.in> contains a separate section for investors wherein the updated information pertaining to the following quarterly, half-yearly and annual financial results, official press releases, Corporate Governance Report, Annual Report, policies adopted by the Company, Email address for grievance redressal and contact information of Compliance Officer, shareholding pattern, and other corporate communication is available in a user-friendly and downloadable form.

Stock Exchange Intimations

The Company intimates the Stock Exchanges all the price sensitive information or such other matters which in its opinion are material and of relevance to the Investors.

All submissions to the Exchanges including Shareholding Pattern and Corporate Governance Report are made through the respective electronic filing systems. Material events or information as detailed in Regulation 30 of the SEBI Listing Regulations are disseminated on the Stock Exchanges by filing them with the National Stock Exchange of India Limited ("NSE") through NEAPS / NSE digital portal and with BSE Limited ("BSE") through BSE Listing Centre.

They are also displayed on the Company's website at <https://hil.in/investor-relations/>.

Press Releases and Presentations

The Managing Director & CEO and Chief Financial Officer hold quarterly interactions with analysts, shareholders and major stakeholders where the Company's performance is briefed and discussed. The official press releases, the presentations made to the institutional investors and analysts, audio/video recording and transcript of the calls with analysts for quarterly/half-yearly/annual results are available on the Company's website at <http://hil.in> and uploaded on the website of NSE and BSE.

SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies, and online viewing by investors of actions taken on the complaint and its current status.

Further, SEBI vide Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31 July, 2023 (updated as on August 4, 2023) has specified that a shareholder shall first take up his/her/their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied with the outcome, he/she/they can initiate dispute resolution through the Online Dispute Resolution ("ODR") Portal. Shareholders are requested to take note of the same. The aforesaid SEBI Circular can be viewed on the following link: <https://hil.in/investor-relations/sebi-circulars/>.

Designated Exclusive Email Address

The Company's designated email id for investor services is cs@hil.in. Investors can also email their queries to Registrar and Share Transfer Agent of the Company at investor.relations@vccipl.com.

Letters and Reminders to Shareholders for Unclaimed Shares/Dividends

Pursuant to the provisions of the Act, the Company sends reminder letters to those shareholders whose unclaimed dividend/shares are liable to be transferred to the Investor Education and Protection Fund (IEPF) account.

The Company has uploaded the details of the unclaimed dividend on its website at <https://hil.in/investor-relations/unclaimed-dividend-7-years-overview-with-list-of-shareholders/>. The Members may log in to find out details of dividends outstanding for any of the previous years.

GENERAL SHAREHOLDER'S INFORMATION:

The Company is registered with the Registrar of Companies, Hyderabad, Telangana. The Corporate Identity Number (CIN) allotted to the Company is L74999TG1955PLC000656

Date, time and venue of AGM	Tuesday, July 30, 2024, at 03:00 pm IST. In accordance with the General Circulars issued by the Ministry of Corporate Affairs, the AGM will be held through VC/OAVM only (facility hosted by NSDL)
Financial year	April 1, 2023 to March 31, 2024
Book closure date	From Wednesday, July 24, 2024 till Tuesday, July 30, 2024 (both days inclusive) for the purpose of AGM and final dividend if declared.
Record date for final dividend	Tuesday, July 23, 2024
Dividend payment date	Will be credited on or before August 22, 2024. Interim dividend declared during the financial year 2023-24 was paid on February 23, 2024
Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 National Stock Exchange of India Limited 'Exchange Plaza' 5th Floor, Plot #C/1, G-Block, Bandra Kurla Complex, Bandra, Mumbai - 400051
Stock code	BSE 509675 / HIL; NSE: HIL
Listing fees	The listing fee for the financial year 2023-24 and 2024-25 has been paid to both the Stock Exchanges.
Payment of depository fees	Annual custody/issuer fee for the financial year 2024-25 has been paid to NSDL and CDSL.
ISIN	INE557A01011
E-voting facility	Open Date: Friday, July 26, 2024 at 9:00 am IST Close Date: Monday, July 29, 2024 at 5:00 pm IST
Address for correspondence	Ms. Nidhi Bisaria Company Secretary & Compliance Officer HIL Limited Office Nos. 1&2, 7 th Floor, SLN Terminus, Survey No.: 133, Beside Botanical Gardens, Gachibowli, Hyderabad- 500032, Tel: 91 40 68249000, Email: cs@hil.in
Suspension of trading	No securities of the Company were suspended from trading on Stock Exchanges during the year under review.
Convertible instruments	The Company has not issued any convertible instruments.

Remote e-voting at the Annual General Meeting

To allow the Members to vote on the resolutions proposed at the Annual General Meeting, the Company has arranged for a remote e-voting facility. The Company has engaged NSDL to provide e-voting facility to all the Members. Members whose names appear on the Register of Members as on Tuesday, July 23, 2024 ("cut-off date") shall be eligible to participate in e-voting and the Members who have not already cast their vote by remote e-voting can exercise their vote at the Annual General Meeting.

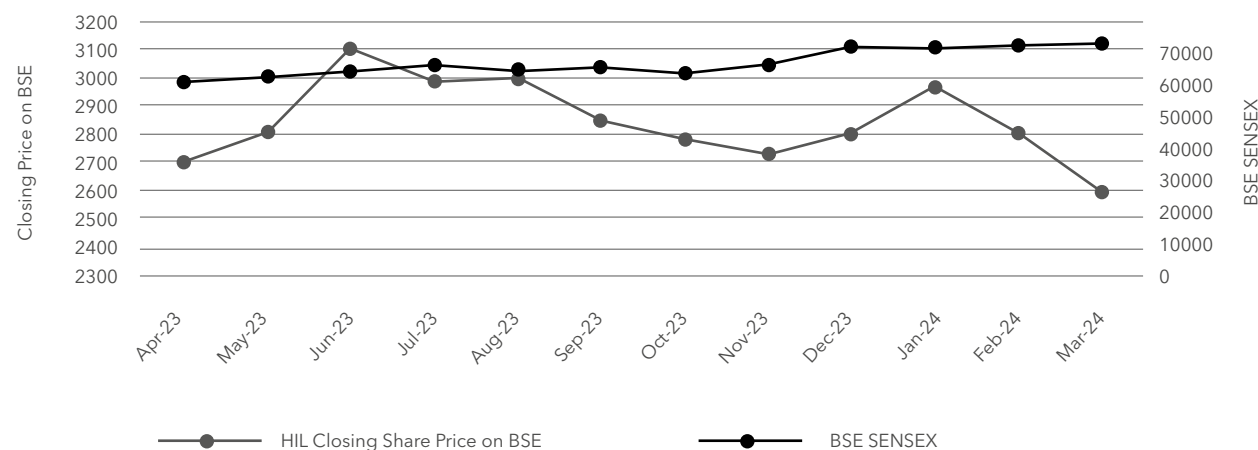
Market price of the Company's shares at BSE Limited and National Stock Exchange of India Limited:

Month	BSE		NSE	
	High Price (in ₹)	Low price (in ₹)	High Price (in ₹)	Low price (in ₹)
Apr-23	2840.10	2415.00	2840.00	2417.65
May-23	2865.75	2417.80	2865.90	2414.95
Jun-23	3284.00	2762.65	3275.00	2750.00
Jul-23	3108.25	2795.90	3114.95	2797.20
Aug-23	3211.00	2881.00	3212.70	2880.05
Sep-23	3201.00	2848.35	3216.00	2840.00
Oct-23	2987.00	2723.40	2990.00	2720.05
Nov-23	2868.40	2525.00	2880.00	2485.05
Dec-23	2981.80	2736.00	2990.00	2733.00
Jan-24	3213.00	2772.85	3167.80	2765.05
Feb-24	3005.00	2653.00	3010.50	2650.00
Mar-24	2827.80	2586.30	2836.05	2580.30

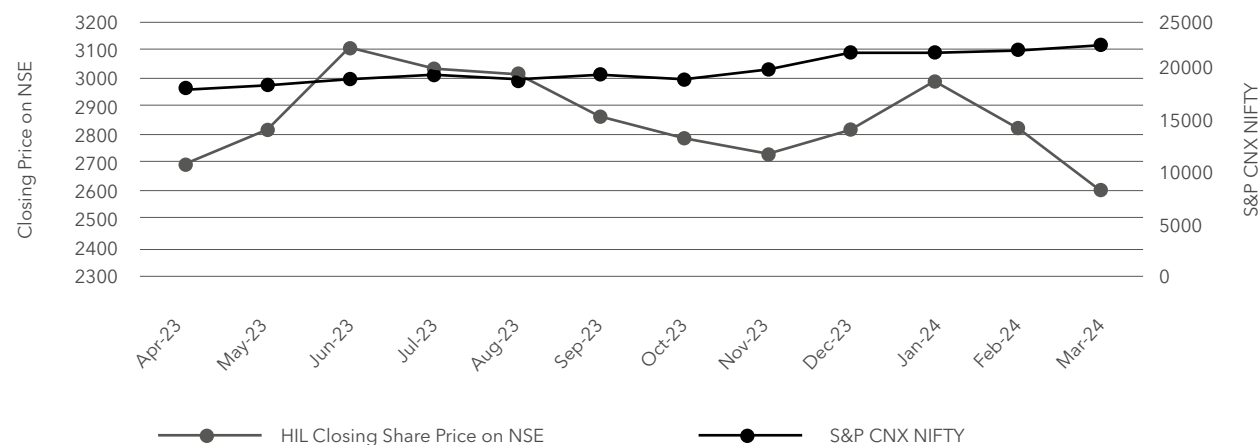
Performance in comparison to BSE Sensex and S&P Nifty 50:

Month	BSE (Closing Price) (in ₹)	BSE Sensex (Closing)	NSE (Closing Price) (in ₹)	Nifty 50 (Closing)
Apr-23	2711.30	61112.44	2703.10	18065.00
May-23	2804.80	62622.24	2812.70	18534.40
Jun-23	3094.25	64718.56	3099.70	19189.05
Jul-23	2991.80	66527.67	3023.75	19753.80
Aug-23	3005.65	64831.41	3009.45	19253.80
Sep-23	2856.45	65828.41	2861.95	19638.30
Oct-23	2789.85	63874.93	2788.90	19079.60
Nov-23	2736.85	66988.44	2735.50	20133.15
Dec-23	2810.95	72240.26	2813.60	21731.40
Jan-24	2974.80	71752.11	2979.20	21725.70
Feb-24	2804.35	72500.30	2813.40	21982.80
Mar-24	2603.00	73651.35	2604.75	22326.90

HIL Share Price on BSE vis a vis BSE SENSEX



HIL Share Price on NSE vis a vis S&P CNX NIFTY



Registrar and Transfer Agent

Members are requested to correspond with the Company's RTA quoting their Folio no./DP ID and Client ID at the following addresses:

M/s. Venture Capital and Corporate Investments Private Limited
'AURUM', 4th & 5th Floors, Plot No.57, Jayabheri Enclave Phase - II, Gachibowli, Hyderabad - 500032
Landline: 040-23818475/23818476
Email: investor.relations@vccipl.com

Share Transfer Process & Dematerialisation

As mandated by SEBI and in terms of Regulation 40 of SEBI Listing Regulations, the Company's shares shall be transferred/ traded only in dematerialized mode following the procedure as prescribed by SEBI under SEBI Listing Regulations read with relevant circulars issued by SEBI. Therefore, shareholders are requested to open a demat account with a Depository Participant (DP) and deposit their physical shares with such DP to get the shares demat at the earliest to avoid any kind of inconvenience.

The Company, its RTA and Stock Exchanges in compliance with SEBI circular dated May 17, 2023 have disseminated the requirement of the holders of physical securities of the Company to furnish valid PAN, mandatory linking of PAN, furnishing KYC details and Nomination details, on their respective websites. Form ISR-1 to furnish PAN, KYC details, Form SH-13, ISR-3 and SH-14 to furnish nomination and opting out nomination details, respectively and Form ISR-2 to furnish for bank attested signatures of the security holder, are hosted on the respective websites of RTA and the Company.

Further, the security holder/ claimant shall submit duly filled up Form ISR-4 hosted on the website of the Company for requests regarding issue of duplicate certificate, claim from unclaimed suspense account, transmission and other related service requests, along with the documents / details specified therein. The RTA/Company shall verify and follow the process of approving the service requests as prescribed in SEBI circular dated May 17, 2023.

Nomination Facility

The shareholders holding shares in physical form are mandatorily required to furnish to the Company's RTA, the details of nomination in hard copy or through electronic mode with e-signature as follows:

- Either,
 - Nomination through Form SH-13 as provided in the Rules 19 (1) of Companies (Shares capital and debenture) Rules, 2014 or
 - 'Declaration to Opt-out', as per Form ISR-3
- In case of cancellation of nomination by the holder(s) through Form SH-14, then 'Declaration to Opt-out' shall be provided by the holder(s)
- Securities holder(s) can change their nominee through Form SH-14

Shareholders holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the Nomination facility.

Transfer to Investor Education and Protection Fund (IEPF):

(i) Transfer of unclaimed dividend:

Members are hereby informed that under the Act, the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven consecutive years or more to the IEPF. In view of the same, an aggregate amount of ₹ 14,08,810/- (₹ 6,72,510/- of Final Dividend of FY 2015-16 and ₹ 7,36,300/- of Interim Dividend of FY 2016-17) have been transferred to Investor Education and Protection Fund (IEPF) on September 8, 2023 and February 27, 2024 respectively.

Members are requested to note the following due date(s) for claiming the unpaid or unclaimed dividend declared by the Company for FY 2016-17 and thereafter:

Financial Year	Interim / Final	Date of Declaration	Due date / cut-off date to transfer to IEPF
2016-17	Final	July 18, 2017	August 19, 2024
2017-18	Interim	January 24, 2018	March 1, 2025
2017-18	Final	August 6, 2018	September 10, 2025
2018-19	Interim	February 8, 2019	March 12, 2026
2018-19	Final	July 24, 2019	August 27, 2026
2019-20	Interim	February 13, 2020	March 18, 2027
2019-20	Final	July 29, 2020	September 2, 2027
2020-21	Interim	February 2, 2021	March 8, 2028
2020-21	Final	July 30, 2021	September 3, 2028
2021-22	Interim	January 27, 2022	March 4, 2029
2021-22	Final	July 29, 2022	September 1, 2029
2022-23	Interim	January 27, 2023	February 28, 2030
2022-23	Final	July 31, 2023	September 1, 2030
2023-24	Interim	February 2, 2024	March 5, 2031

Members who have not encashed the dividend warrants so far in respect of the aforesaid period(s) are requested to make their claim to M/s. Venture Capital and Corporate Investments Private Limited, RTA well in advance of the above due dates.

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), the Company has uploaded the information in respect of the unclaimed dividends as on March 31, 2024 on the website of the Company at <https://hil.in/investor-relations/unclaimed-dividend-7-years-overview-with-list-of-shareholders/>.

(ii) Transfer of shares to IEPF

Pursuant to the provisions of Sections 124 and 125 of the Act read with the IEPF Rules, all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. The said requirements do not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. Accordingly, the Company has transferred 1,228 equity shares of face value ₹ 10 per share to the demat account of the IEPF Authority during FY 2023-24.

The Company had sent individual notice to all the Members whose shares were due to be transferred to the IEPF Authority and had also published newspaper advertisements in this regard.

The details of such shares transferred to IEPF are uploaded on the website of the Company at <https://hil.in/investor-relations/unclaimed-dividend-shares-due-to-transfer-to-iefp/>.

(iii) Claim from IEPF Authority

The Members/Claimants, whose unclaimed dividends/shares have been transferred to IEPF, may contact the Company or RTA and submit the required documents for issue of Entitlement Letter. The Members/ Claimants can attach the Entitlement Letter and other documents mentioned thereon and file Form IEPF-5 available on <https://www.iepf.gov.in> for claiming the dividend/shares. Link to e-Form IEPF-5 is also available on the

website of the Company at <http://hil.in>. No claims shall lie against the Company in respect of the dividends/shares so transferred.

Secretarial Audit and Other Certificates

M/s. Ranjeet Pandey & Associates, Practising Company Secretaries has conducted the secretarial audit of the Company for FY 2023-24. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made thereunder, its Memorandum and Articles of Association, SEBI Listing Regulations and the other applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report as an Annexure.

In accordance with the SEBI Circular dated February 8, 2019 and additional affirmations required under Circulars issued by NSE and BSE dated March 16, 2023 and April 10, 2023 read with Regulation 24A of the SEBI Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from M/s. Ranjeet Pandey and Associates, Practising Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2024.

During the year, the Company obtained certificate from a Company Secretary in Practice, certifying that all certificates for transmission, transposition, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies and deletion of names were issued as required under Regulation 40(9) of the SEBI Listing Regulations. The certificate was duly filed with the Stock Exchanges.

A quarterly Reconciliation of Share Capital Audit has been carried out by a Company Secretary in practice to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

M/s. P.S. Rao & Associates, Practising Company Secretaries, has issued a certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/MCA or any such statutory authority. The said Certificate is annexed to this Report on Corporate Governance as **Annexure A**.

Distribution of Equity Shares of the Company as on March 31, 2024:

S. No.	Range	No. of Shares	Percentage to Capital	No. of Shareholders	Percentage to Total
1	Upto - 500	16,72,114	97.41	36,016	22.17
2	501 - 1000	3,69,821	1.36	504	4.90
3	1001 - 2000	3,48,789	0.65	240	4.63
4	2001 - 3000	1,94,703	0.21	78	2.58
5	3001 - 4000	97,776	0.08	28	1.30
6	4001 - 5000	1,19,870	0.07	26	1.59
7	5001 - 10000	2,41,040	0.10	36	3.20
8	10001 and above	44,96,786	0.12	44	59.63
Total		75,40,899	100.00	36,972	100.00

Shareholding Pattern as on March 31, 2024:

S. No.	Category	Number of shares held	Percentage of shareholding
(A)	Promoter and Promoter Group	30,59,212	40.57
(B)	Public shareholding		
1.	Institutional Investor		
a.	Mutual Funds	593	0.01
b.	Financial Institutions	-	-
c.	Alternative Investment Fund	2,42,000	3.21
d.	Banks	3747	0.05
e.	Insurance Companies	-	-
f.	NBFCs registered with RBI	-	-
g.	Foreign Portfolio Investors	1,67,214	2.21
2.	Central Government/State Government(s)	3,05,552	4.05
3.	Non-institutional Investor		
a.	Overseas Corporate Bodies	1,22,000	1.62
b.	Bodies Corporate (not mentioned above)	5,30,185	7.03
c.	Non-Resident Individuals	1,73,254	2.30
d.	IEPF	37,671	0.50
e.	Resident Individuals/HUF	28,87,770	38.30
f.	Others (Cooperative Societies, Trusts, Clearing Members)	11,701	0.15
	Total Public Shareholding	44,81,687	59.43
	TOTAL (A) + (B)	75,40,899	100.00

Dematerialisation of shares and liquidity

Trading in equity shares of the Company is permitted only in dematerialized form. To facilitate trading in equity shares of the company in dematerialized form, the company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open an account with any Depository Participant registered with one of these two depositories.

Members holding shares in physical mode are urged in their own interest to hold these shares in dematerialized form with any Depository Participant.

As on March 31, 2024, 99.53% of the equity shares of the Company i.e., 75,05,090 equity shares are held in dematerialized form and remaining 0.47% i.e. 35,809 equity shares are in physical form. Entire equity shareholding of the

Promoters and Promoter Group of the Company is held in dematerialized form.

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

The Company has not issued any Global Depository Receipts/ American Depository Receipts/Warrants etc., during the financial year 2023-24.

Commodity Price Risk or Foreign Exchange Risk and hedging activities:

During the year 2023-24, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports and also receivable from its wholly owned subsidiary. The details of foreign currency exposure are disclosed in notes forming part of the financial statements.

Manufacturing Plant Locations

S. No.	State	Products Manufactured	Location
Manufacturing Facilities			
1	Telangana	Boards	Hyderabad, Sanathnagar - 500018
2	Telangana	Fly Ash Blocks, Sandwich Panels and Pipes & Fittings	Thimmapur, Mahbubnagar District - 509325
3	Andhra Pradesh	AC Sheets & Next Gen Sheets	Vijayawada, Plot No.289, IDA, Kondapally - 521228
4	Haryana	AC Sheets, Next Gen Sheets, Sandwich Panels, Boards and Pipes & Fittings	Faridabad, Sector-25 - 121005
5	Haryana	Fly Ash Blocks & Dry Mix Products	Jhajjar, Amadalshahpur, -124146
6	Jharkhand	AC Sheets	Jasidih, Industrial Area - 814142
7	Tamilnadu	Fly Ash Blocks	Chennai, Kannigaiper Vil., Tiruvallur District -601102

S. No.	State	Products Manufactured	Location
8	Maharashtra	AC Sheets	Wada, Musarane Vil., Thane District - 421312
9	Uttar Pradesh	AC Sheets	Sathariya, SIDA, Jaunpur District - 222022
10	Odisha	AC Sheets & Boards	Balasore, IDCO, Plot No. 72, ND Centre, Somanathpur - 756019
11	Odisha	Fly Ash Blocks	Plot No.1683/84, Mouza- Harianta, Tehsil - Tangi, Choudwar, Cuttack -754025
12	Odisha	Sandwich Panels	IDCO, Plot No. Z-2, IID Centre, Somanathpur, Balasore
13	Gujarat	Fly Ash Blocks, Dry Mix Products and Pipes & Fittings	Golan (Village), Valod Taluka, Tapi District - 394640
Wind Mill Locations			
14	Gujarat	3.60 MW (2x1.80 MW)	Kutch District, Gujarat
15	Tamil Nadu	1.25 MW	Coimbatore, Tirupur District, Tamil Nadu
16	Rajasthan	2.50 MW (2x1.25 MW)	Jodhpur District, Rajasthan
17	Rajasthan	2.00 MW	Jaisalmer District, Rajasthan

Credit Ratings obtained by the Company

The credit ratings on Company's long term and short-term facilities have been reaffirmed during the financial year with revision in outlook to negative from stable, by the respective credit rating agencies and the same is furnished below:

S. No.	Rating Agency	Type	Rating
1	ICRA	Long Term - Credit Facilities	ICRA AA/Negative
2	ICRA	Short Term - Debt	ICRA A1+
3	India Ratings	Long Term - Term Loan	IND AA/Negative

OTHER DISCLOSURES:

a. Related Party Transactions:

In line with the requirements of the Companies Act, 2013 and SEBI Listing Regulations, as amended from time to time, the Company has formulated a Policy on Related Party Transactions ('RPT Policy') for identifying, reviewing, approving and monitoring of Related Party Transactions and the Company's policy relating to dealing with Related Party Transactions is uploaded on the website of the Company and can be accessed through the web link: <https://hil.in/wp-content/uploads/2023/02/Policy-on-Related-Party-Transactions-2022-for-website-1.pdf>.

All related party transactions entered into during FY 2023-24 were on arm's length basis and in the ordinary course of business. All the related party transactions were reviewed and approved by the Audit Committee/ Board, as may be applicable. With a view to ensure continuity of day-to-day operations, an omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on arm's length basis. A statement giving details of all related party transactions entered pursuant to the

omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review.

During the year under review, the Company entered into two material related party transactions i.e. payment of remuneration and grant of long term incentive as per the HIL Limited Long Term Cash Incentive Plan 2023 to Ms. Avanti Birla, a related party within the definition of Section 2(76) of the Act, occupying the office or place of profit in the Company and the same are approved by the Audit Committee, Board and shareholders at their respective meetings as required under the provisions of Regulation 23 and other applicable provisions if any of the SEBI Listing Regulations read with section 177 and 188 and other applicable provisions if any of the Companies Act, 2013. Accordingly, the disclosure of the said related party transactions as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is made in Form AOC-2 annexed to Board's Report.

In terms of Regulation 23 of SEBI Listing Regulations, the Company submits details of related party transactions as per the specified format to the stock exchanges on a half-yearly basis.

The details of the transactions with related parties are provided in the accompanying Financial Statements. During the year there are no such materially significant related party transactions that may have potential conflict with the interests of the Company at large. Further during the year there were no transactions with the entities belonging to the promoter or promoter group which holds 10% or more shareholding in the Company.

b. Statutory Compliance, Penalties and Strictures:

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authority on all matters related to capital markets. During the last three years, no penalties or strictures have been imposed on the Company by these authorities. None of the Company's listed securities is suspended from trading.

c. Whistle Blower Policy/Vigil Mechanism:

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

In line with requirement of the Companies Act, 2013 and of Regulation 22 of SEBI Listing Regulations, Vigil Mechanism/Whistle Blower Policy has been formulated for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct etc. The said Policy provides for adequate safeguard against victimization of Directors/employees who avail of such mechanism and provides access to the Chairman of Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee. The Whistle Blower Policy has been placed on website of the Company and web link thereto is <http://hil.in/investor-relations/policies/>.

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

d. Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, designated persons and relatives of Directors and such designated persons. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated persons and relatives of such designated persons while in possession of unpublished price sensitive information

in relation to the Company and during the period when the Trading Window is closed. Ms. Nidhi Bisaria, Company Secretary of the Company is designated as the Compliance Officer for the purpose of Code and is responsible for implementation of the Code.

e. Code of Conduct:

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

All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2024. A declaration to this effect signed by Managing Director & CEO forms part of this report as an **Annexure B**.

Other Policies under the SEBI Listing Regulations:

f. Policy on Archival and Preservation of Documents as required under Regulation 9 of the SEBI Listing Regulations is available on the website of the Company at <https://hil.in/wp-content/uploads/2018/04/PRESERVATION-OF-DOCUMENTS-V1.pdf>.

g. Policy on Determination of Materiality for Disclosure of Events or Information as per Regulation 30 of the SEBI Listing Regulations is available on the website of the Company at <https://hil.in/wp-content/uploads/2023/09/HIL-Policy-for-determination-of-materiality-of-events-or-information.pdf>.

h. Dividend Distribution Policy as adopted by the Company pursuant to Regulation 43A of the SEBI Listing Regulations is available on the website of the Company at <https://hil.in/wp-content/uploads/2021/05/HIL-Dividend-Distribution-Policy-2021-signed.pdf>.

i. Accounting treatment in preparation of financial statements

The Company has prepared the financial statements in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable.

j. CEO & CFO Certification

A certificate signed by the Managing Director & CEO and Chief Financial Officer as stipulated in the Regulation 17(8) of SEBI Listing Regulations was placed before the Board along with financial statement(s) for the year ended March 31, 2024. The Board reviewed and took the same on record. The certificate is enclosed with this section as **Annexure C**.

k. Details of utilisation of funds raised through preferential allotment or qualified institutional placement

The Company has not raised any funds through preferential allotment or qualified institutional placement during the year under review.

m. Details of material subsidiaries including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Name of material subsidiaries	Date of incorporation / acquisition	Place of incorporation	Name of the Statutory Auditors	Date of appointment of the Statutory Auditors
HIL International GmbH, Germany	August 27, 2018	Germany	KPMG, Germany	February 02, 2024

n. Policy on material subsidiary:

As per Regulation 16(1)(c) of SEBI Listing Regulations, the Company adopted a policy on material subsidiaries and placed the same on website of the Company at <https://hil.in/wp-content/uploads/2023/09/HIL-Policy-on-Determining-Material-Subsidiaries.pdf>.

o. Acceptance of recommendations of Committees by the Board of Directors:

In terms of the SEBI Listing Regulations, there have been no instances during the year under review, when the recommendations of any of the Committees were not accepted by the Board.

p. Total fees paid by the Company for all services rendered by the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is ₹ 108 lakh.

q. As per the confirmations received by the Company, during the financial year, there were no agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

r. Disclosure under Prevention of Sexual Harassment at Workplace Act, 2013:

As per the requirement of Prevention of Sexual Harassment at Workplace Act, 2013 ("POSH Act") and rules made thereunder, the Company has adopted a policy on prevention, prohibition and redressal of sexual harassment of employees at workplace. The Company has also constituted Internal Complaints Committees. While maintaining the highest governance norms, the Company has appointed external independent person,

l. Loans and advances in the nature of loans to firms / companies in which Directors are interested

The Company has not given any loans or advances to any firm/company in which its Directors are interested except to its wholly-owned subsidiary company HIL International GmbH. Details of the same forms part of standalone financial statements at Note no. 9.

Ms. Kiran Bhutada (Advocate) who has worked in this area and have the requisite experience and knowledge in handling such matters, as Member of each of the Committees. To build awareness in this area, the Company has been conducting induction/awareness programmes in the organization on a continuous basis.

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

s. Compliance Certificate on Corporate Governance:

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) and (t) of Regulation 46(2) of SEBI Listing Regulations as applicable with regard to Corporate Governance.

A certificate from M/s. B S R and Co, Chartered Accountants (FRN - 128510W), Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance for the financial year ended March 31, 2024 forms part of this report as **Annexure D**.

t. Mandatory Requirements:

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance.

u. Compliance with Discretionary Requirements:

The status of compliance with the discretionary requirements as stated under Part E of Schedule II to the SEBI Listing Regulations are as under:

- The Board: Non-Executive Chairman has a separate office which is not maintained by the Company.
- Shareholder Rights: The quarterly/half-yearly/ financial performance of the Company is made available on the Company's website at: <https://hil.in/investor-relations/>.

- Modified opinion(s) in Audit Report: During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinion.

- Separate posts of Chairperson and the Managing Director & CEO: The Chairman of the Board is a Non-Executive Director and not related to the Managing Director & CEO of the Company.

- Reporting of Internal Auditor: The Audit Committee is briefed through discussions and presentations

made by the Internal Auditors of the Company regarding the observations, review, comments, recommendations, etc.

For and on behalf of the Board of Directors
HIL Limited

CK Birla
Chairman
DIN: 00118473

Place: New Delhi
Date: May 7, 2024

Annexure(s) to Corporate Governance Report

Annexure - A

Certificate of Non-disqualification of Directors

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

To
The Members of
HIL Limited
Office No. 1 & 2, 7th Floor, SLN Terminus,
Sy No. 133, Gachibowli, Hyderabad-500032.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HIL Limited having CIN: L74999TG1955PLC000656 and having registered office at Office Nos. 1 & 2, 7th Floor, SLN Terminus, Sy No. 133, Gachibowli, Hyderabad - 500032 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal **www.mca.gov.in**) as considered necessary and explanations furnished to us, we hereby certify that as on March 31, 2024, none of the following Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment in the Company
1	Mr. Chandrakant Birla	00118473	04.02.1980
2	Mr. Desh Deepak Khetrpal	02362633	28.10.2013
3	Ms. Gauri Rasgotra	06862334	08.05.2014
4	Dr. Arvind Sahay	03218334	08.02.2019
5	Mr. Sunil Ramakant Bhumralkar	00177658	18.03.2024
6	Mr. Akshat Seth	10039820	11.02.2023

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P.S. Rao & Associates
Company Secretaries

Mohit Gurjar
Partner
M.No. 20557; C P No: 18644
UDIN: A020557F000233099

Date: April 24, 2024
Place: Hyderabad

Annexure - B

Declaration on Code of Conduct

I, Akshat Seth, Managing Director & CEO of the Company, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for the financial year 2023-24.

For HIL Limited

Akshat Seth
Managing Director & CEO
DIN: 10039820

Place: New Delhi
Date: April 30, 2024

Annexure - C

CEO CFO Certificate

(Under Regulation 17(8) of Sebi (Listing Obligations and Disclosure Requirements) Regulations, 2015)

- A. We have reviewed financial statements (Standalone & Consolidated) along with the cash flow statement of the Company for the financial year ended 31st March, 2024 and that to the best of our knowledge and belief we hereby certify that:

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

b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any.
- D. We have indicated to the auditors and the Audit committee:

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

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

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

For HIL Limited

Place: New Delhi
Date: May 7, 2024

Ajay Kapadia
Chief Financial Officer
Membership No: 108447

Akshat Seth
Managing Director & CEO
DIN: 10039820

Annexure - D**Independent Auditors' Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015****To****The Members of HIL Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 11 August 2022 and addendum to the engagement letter dated 25 April 2024.
2. We have examined the compliance of conditions of Corporate Governance by HIL Limited ("the Company"), for the year ended 31 March 2024, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

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

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2024.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India

(the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

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

For B S R and Co

Chartered Accountants

Firm's Registration No: 128510W

Sulabh Kumar Kedia

Partner

Place: New Delhi

Date: 7 May 2024

Membership No: 066380

UDIN: 24066380BKGXQM4655