



Statutory Reports & Financial Statements

Board's Report

Dear Members,

The Board of Directors are pleased to present the 77th Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended March 31, 2024.

SUMMARY OF FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2024 is summarised below:

(₹ in crore)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Total Income	2,266.76	2,187.73	3,404.80	3,504.30
Earnings before Interest, Depreciation, Amortization & Tax	174.53	228.37	154.28	248.26
Less : Interest	10.75	6.63	35.35	19.57
Depreciation & Amortization	67.96	58.06	120.01	110.77
Profit before Tax and Exceptional items	95.82	163.68	(1.09)	117.92
Add/(Less): Exceptional items / Profit / Income from JV	37.21	-	36.63	(1.19)
Profit before tax for the year	133.03	163.68	35.54	116.73
Less: Taxes	30.05	33.58	0.76	19.62
Profit after tax for the year	102.98	130.10	34.78	97.10
Other Comprehensive Income (Net of tax)	(0.14)	0.88	0.66	27.15
Total Comprehensive Income for the year	102.84	130.98	35.44	124.25
Basic Earnings Per Share (₹)	136.59	172.95	46.15	129.09
Diluted Earnings Per Share (₹)	136.59	172.91	46.15	129.06

FINANCIAL PERFORMANCE

REVENUE

HIL achieved a net revenue from operations of ₹ 2,230.85 crore as against ₹ 2,155.20 crore in the previous year on standalone basis, an increase of 3.5% and on consolidated basis registered a net revenue from operation of ₹ 3,374.97 crore as against ₹ 3,478.96 crore in the previous year recording a marginal decline of 3%.

With the addition of new capacities and introduction of new products, the Company anticipates a positive growth momentum in the coming year.

INTEREST & LOANS

Interest cost for the financial year 2023-24 has increased to ₹ 10.75 crore on a standalone basis as against ₹ 6.63 crore during the previous year. On consolidated basis, interest cost for the financial year 2023-24 stood at ₹ 35.35 crore as against ₹ 19.57 crore in the previous year.

The increase in interest cost is on account of increase in borrowings for working capital requirements and also on account of significant increase in borrowing cost.

As on March 31, 2024, the Company has outstanding borrowings of ₹ 313.10 crore on standalone basis and ₹ 547.82 crore on

consolidated basis. The debt equity ratio on consolidated basis stood at 0.44 times as of March 31, 2024 as against 0.33 times as of March 31, 2023.

PROFIT BEFORE TAX

During the year under review, HIL registered profit before tax (PBT) of ₹ 95.82 crore before profit from exceptional items, on standalone basis as against ₹ 163.68 crore in the previous year, recording a decline of 41% mainly due to pricing pressure emanating from intensifying competition in all categories and increase in cost of raw material viz. fibre, cement and volatility in resin prices.

Profit before tax on a consolidated basis for the financial year 2023-24 stood at ₹ 35.54 crore as against ₹ 116.73 crore in the previous year, recording a decline of 70% due to poor market demand.

NET WORTH

On a consolidated basis, the net worth of the Company as at March 31, 2024 stood at ₹ 1,253 crore as against ₹ 1,244 crore in the previous year.

The consolidated earnings per share (basic) for the financial year ended March 31, 2024 stood at ₹ 46.15 per share as against ₹ 129.09 per share for the financial year ended March 31, 2023.

BUSINESS PERFORMANCE

HIL is committed to become one of the most admired Home and Building brands globally and drives strong value building growth. The India business delivered steady performance with volume growth across most categories; however, pricing pressure resulted in subdued revenue growth. The Roofing Solutions business continued to scale new heights and delivered highest ever volume with its market share improving further. The revenue for Building Solutions business grew steadily; however, its profitability was impacted due to pricing pressures. The profitability of the Polymer Solutions business improved significantly in FY24 compared to last year due to improved operational efficiencies, recipe optimization and lower RM costs.

During the year, HIL built strong momentum towards growth and acquisition of Crestia Polytech Private Limited and its group companies in Pipes & Fittings business was a key milestone. During the year, the Company also took significant steps in building an organization for future by rejuvenating the leadership team, moving towards a digital-led way of working and building a culture of excellence.

Despite material scarcity, geopolitical instability, and moderate demand, the Company's sales remained robust. The Company achieved 4% growth in India by expanding into new markets and strengthening institutional sales.

The severity of challenges was far more in the European context where PARADOR had faced inflationary pressures on raw material prices as well as increase in energy costs and sea freight. Despite these challenges, the Company with all concerted efforts, has limited the revenue impact to 14%.

ROOFING SOLUTIONS

The Charminar brand, that carries a 75+ years legacy of trust, further increased its market share and premium positioning versus competition. The Company's focus on micro market management has resulted in enhancing rural tehsil penetration and adding new dealers to the strong Charminar channel network. In FY24, we achieved both volume and realisation growth in an otherwise declining market through higher engagement with masons and fabricators, digital lead acquisition and strong brand activation across rural India.

The Company launched "Signature Club" program to increase share of wallet and maintain loyalty with key distributors. Further, various promotions were executed across select markets to increase off-takes thereby increasing market share.

The Company continues to adopt and deploy digital tools viz. Industry 4.0, TMS, SFA etc. across our plants and sales team to enhance efficiencies and productivity.

"Charminar" and "Charminar Fortune" brands continue to enjoy the trust of the customers backed by the Company's enhanced customer-centric approach, unparalleled quality, superior after sales customer service and strategically positioned plants and depots to serve its customers effectively while optimising freight expenses.

BUILDING SOLUTIONS

Building Solutions business consists of "AAC Blocks", "Panels" and "Boards" which cater to various requirements of building industries, commercial spaces and infrastructure segments. Government's thrust on infrastructure, health care and education segments helped us increase volumes over last year.

HIL aggressively focused on product specifications through the technical sales team to gain prestigious and high-value projects in the infrastructure, Government and health care segments. However, realisations in AAC Blocks remained challenging in West and South markets due to competition intensity.

HIL enhanced its brand presence across key infrastructure and industrial exhibitions to connect with key architects, engineers and developers. Strong digital lead acquisitions helped to specify "Birla Aerocon" brand across key projects.

HIL continued its approach as a comprehensive solutions provider in the building materials category by offering all relevant products under one roof thereby retaining and enhancing its customer base. To counter the challenges of increased input cost, the Company has focused on process efficiency and lean management principles in these factories to optimize costs.

POLYMER SOLUTIONS

This segment consists of "Pipes & Fittings" and "Wall Putty & Construction Chemicals" marketed under the brand name "BIRLA HIL". During FY24, Polymer Solutions segment significantly improved its performance on profitability through sustained efforts on driving cost efficiency in procurement and operations. Overall revenue performance in FY24 was modest largely on account of industry wide drop in prices in both Pipes & Fittings as well as Wall Putty business. HIL's efforts were concentrated on expanding its distribution network, securing key project accounts with reputable builders and developers nationwide, and diversifying our product offerings. HIL remains committed to strengthening our relationships with influencers such as plumbers, painters and applicators, through targeted retail marketing initiatives to cultivate greater brand loyalty.

Birla HIL Pipes

Birla HIL Pipes offers a comprehensive range of plumbing solutions, including cPVC, uPVC, Column Pipes, SWR, Foamcore, Pressure & UGD Pipes and Fittings as well as Water Tanks conforming to relevant IS or ASTM specifications. In line with the Company's commitment to product expansion, Foamcore was recently introduced, a multilayer pipe with outer and inner layers of conventional PVC and a middle layer of foamed PVC. Additionally, the Company launched a range of Silent Pipes & Fittings, certified by Fraunhofer IBP, Germany which designed for low-noise drainage applications, particularly suited for commercial projects.

In a significant move to bolster our Pipes & Fittings business in April 2024, HIL acquired Crestia Polytech Private Limited and its four group companies under the brand **'Topline'**, a renowned brand of Pipes & Fittings in Eastern India. With the complementary portfolio of products, channels, and market footprint, this acquisition will not only double HIL's revenue of Pipes & Fittings business but also immediately enhances production capacity three-fold, especially in the strategically important Eastern region.

In FY24, BIRLA HIL Pipes achieved a volume growth of 12% over last year, driven by targeted distribution expansion efforts in the retail segment, as well as a focused approach to technical sales in the institutional segment, particularly within marquee residential projects nationwide. To strengthen the growth focus in this strategic segment, an exclusive sales organisation for Pipes & Fittings was created during the year. During FY24, Birla HIL cPVC Pipes and Fittings received recognition from Confederation of Indian Industry and were awarded the prestigious GreenPro Ecolabel, underscoring our commitment towards sustainability. Additionally, product barcoding and WMS was implemented in Company's Faridabad plant to enhance operational and supply chain efficiency.

Birla HIL Putty and Construction Chemicals

With superior quality, BIRLA HIL putty has created a strong and loyal customer base. BIRLA HIL wall putty is made with cutting-edge "TRUE COLOUR" technology, is effective on all types of cementitious surfaces. Furthermore, the introduction of Birla HIL waterproof putty, engineered for superior performance, demonstrates our commitment to innovation and customer satisfaction. Construction Chemicals segment, offers a diverse range of solutions with a focus on walling construction chemicals and tiling construction chemicals.

The Company is committed to the segment's growth, with a strong management focus and dedicated sales teams for Putty & Construction Chemicals business. HIL now has a PAN India presence with a robust distribution network with the expansion in East & South during FY24. Notably, we commenced in-house production at Jhajjar for Tile Adhesives in FY24, achieving a remarkable growth. HIL continues to drive strong engagement program with channel partners and influencers via various on ground workshops and meets demonstrating the wide range of product lines and application procedures.

FLOORING SOLUTIONS

The interiors markets continued to be strongly influenced by the uncertainties coming out of the global pandemic as demand remained soft in many of the major building markets across the world. These headwinds have been accentuated by a strong inflationary environment and disruptions in supply chain for both raw materials and finished goods. Interest rate fluctuations and market uncertainties impacted both large scale investments in the construction and real estate sectors and day to day consumer demand.

However, the outlook is cautiously optimistic as inflation rates are coming down, and the larger consumption markets of Central Europe and the United States are starting to stabilize versus the early parts of year 2023. Apart from certain areas in Eastern Europe and the Middle East, the supply chain and input costs are becoming more predictable, and we are better able to forecast for efficiencies.

Strategic investments, done over last year, to strengthen our frontline sales capability in focused markets, expand our areas of play to newer geographies (North America, Middle east amongst others) and to Commercial customers will be key drivers of topline growth in the upcoming financial year. At the same time, sustained focus on product innovation and quality and lean operations will ensure a return to profitability.

AWARDS & RECOGNITION

In recognition of HIL's constant pursuit of excellence in energy efficiency, environmental protection, safety, growth and innovation, the Company has been honoured and recognised at various forums. The prominent awards earned during the financial year 2023 -24 are listed below:

Super Brand Award 2023

Super brands, a global organisation present in 90 countries recognises, showcases and pays tribute to the best brands in each country. It recognises the brand custodians' persevering efforts to build brands that are strong on consumer perceptions. 'Super brand' status strengthens a brand's image, adds prestige and easily sets the brand apart from its competitors. This powerful endorsement provides evidence of brands' exceptional status for existing and potential customers. **"Charminar"** and **"Birla Aerocon"** have been the recipients of this prestigious award this year as well.

The Economic Times Best Brands

"Charminar" and **"Birla Aerocon"** awarded as Best Brands 2023 by the Economic Times in Roofing Building Materials 2023. The Economic Times Best Brand is a research-based initiative that endeavours to 'highlight brands that have gained customers' confidence, maintained their positions over a period, and sailed successfully through dynamic market challenges'. This is a testimony of our continued efforts to engage with our customers, where people increasingly believe in interacting with a brand, and the legacy of CK Birla Group makes it the best brand that is built around trust and its customer-centric approach.

Brand of the Year by Realty+

"Charminar" and **"Birla Aerocon"** brands are honoured as Brand of the Year at 8th Realty+ INEX Interior & Exterior Conclave Excellence Awards 2024. This award is in recognition for exemplary performance and achievement, contribution to making a positive difference in the Indian real estate industry and outstanding leadership in the market. Realty+ is one of the oldest and most prestigious publications of the country in real estate segment.

'Brand of the Year - Wall Finishes', 'Brand of the Year - Construction Chemicals' for Birla HIL Putty and Construction Chemicals at 8th Realty+ INEX Awards 2023, realty industry awards and conclave. These Awards recognized **BIRLA HIL Putty and Construction Chemicals** for its 'exemplary performance and achievement' and 'contribution to making a positive difference in the Indian real estate industry'. The event saw Indian and international architects and building product brand leaders joining to discuss the way forward for the design and construction industry.

Charminar and BIRLA HIL Pipes were adjudged as the **'Most Trusted Brands'** for 2024. These awards from Team Marksmen recognizes the trust and quality standards of Charminar roofing sheets and Birla HIL Pipes.

BIRLA HIL Pipes was awarded as **'Most Trusted Brands of India'** for 2024-25. Awarded on the basis of extensive market research, expert analysis and an attribute-based qualitative research approach, it is a distinctive recognition for the Company.

Sustainable Organisations 2023

HIL is recognised as Sustainable Organisations 2023 by The Economic Times for net zero initiatives.

Great Place to Work, 2024

HIL has been certified as a Great Place to Work for the sixth time in a row for the year 2024-25 with an outstanding trust index score of 94. The Company is ranked amongst:

- Great Place To Work®, India; re-certified from March 2024 to March 2025
- Top 25 | India's Best Workplaces™ in Manufacturing 2024
- Top 50 | Large India's Best Workplaces Building a culture of Innovation by All 2024
- India's Best Companies to Work for 2023: Top 50 - Ranked at 27
- Top 50 | India's Best Workplaces™ for Millennials, 2023
- Best in industry: Cement & Building Materials, 2023

The Great Place To Work Certifications are a testament to HIL's commitment to positive and enriching employee experience. As we go forward, we work towards our shared vision of becoming one of most admired brands in the home and building segments.

DIVIDEND

During the year under review, the Board of Directors declared an interim dividend of ₹ 15/- per equity share of ₹ 10/- each (150% of the face value). The Directors are pleased to recommend a final dividend of ₹ 22.50/- per equity share of ₹ 10/- each (225% of the face value) for shareholders' consideration and approval at the ensuing 77th Annual General Meeting of the Company.

With the proposed final dividend, the total dividend for the year 2023-24 works out to be ₹ 37.50/- per equity share (375% of the face value) as against the total dividend of ₹ 45/- per equity share (450% of the face value) declared in the previous year.

As per Finance Bill 2020, dividend declared/paid after April 1, 2020 will be taxable in the hands of the shareholders. Shareholders are requested to visit <https://hil.in/wp-content/uploads/2020/02/FAQs-TDS-on-dividend-26-06-2020.pdf> for FAQs on dividend tax.

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 24, 2024 to Tuesday, July 30, 2024, both days inclusive, for determining the entitlement of the shareholders for the final dividend for the financial year ended March 31, 2024.

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

TRANSFER TO GENERAL RESERVES

During the year under review, the Company has not transferred any amount to General Reserves.

SHARE CAPITAL

The paid-up equity share capital as on March 31, 2024 was ₹ 754.09 lakh divided in to 75,40,899 equity shares of ₹ 10/- each. During the year under review, the Company has issued 3,336 equity shares of ₹ 10/- each on exercise of options granted to one of the eligible employees under HIL Employees Stock Option Scheme 2019. Accordingly, the issued and paid up capital of the Company has increased by 3,336 equity shares of ₹ 10/- each and further there was no other change in paid-up equity share capital of the Company.

LISTING WITH STOCK EXCHANGES

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. Annual listing fees for the year 2024-25 has been paid to these exchanges within the prescribed timelines. There was no suspension on equity shares of the Company during the financial year 2023-24.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Report on Management Discussion and Analysis is appended to this report as per the requirements of SEBI Listing Regulations.

BOARD OF DIRECTORS, ITS COMMITTEES AND THEIR MEETINGS

HIL has a professional Board with an optimum combination of executive, non-executive and independent directors, including woman director, who bring to the table the right mix of knowledge, skill and expertise. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders.

As per the declarations received by the Company none of the Directors are disqualified under Section 164(2) and other applicable provisions of the Companies Act, 2013 ("the Act"). Certificate on non-disqualification as required under Regulation 34 of SEBI Listing Regulations is forming part of the Corporate Governance Report.

During the financial year, eight (8) meetings of Board of Directors of the Company were convened and held in accordance with the provisions of the Act and secretarial standards issued by the Institute of Company Secretaries of India (ICSI). The date(s) of the Board Meeting, attendance of the Directors is given in the Corporate Governance Report forming part of this annual report. The time-gap between any two consecutive meetings was within the period prescribed under the Act and SEBI Listing Regulations.

The Board has constituted the following five Committees:

1. Audit Committee
2. Nomination and Remuneration cum Compensation Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

The details of all the above Committees along with their terms of reference, composition, number of meetings and attendance at the meetings are provided in detail in the Corporate Governance Report annexed to this Board's Report.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. VV Ranganathan (DIN: 00060917) ceased to be an Independent Director of the Company with effect from March 19, 2024 upon completion of his term of 5 (five) years. The Board placed on record its sincere appreciation and gratitude for the guidance and valuable contribution by Mr. Ranganathan during his tenure as a member of the Board.

The Board of Directors at its meetings held on February 2, 2024 approved re-appointment of Dr. Arvind Sahay (DIN: 03218334) as an Independent Director of the Company, for

a second term of 5 (five) consecutive years commencing from February 8, 2024 up to February 7, 2029. In the said meeting, the Board also approved appointment of Mr. Sunil Ramakant Bhumralkar (DIN: 00177658) as an Additional Director of the Company, designated as an Independent Director with effect from March 18, 2024, not liable to retire by rotation.

Further, the Board of Directors at its meeting held on March 28, 2024 approved appointment of Ms. Nidhi Jagat Killawala (DIN: 05182060) as an Additional Director of the Company, designated as an Independent Director with effect from April 1, 2024, not liable to retire by rotation and appointment of Ms. Amita Birla (DIN: 00837718) as an Additional Non-Executive Director of the Company with effect from April 1, 2024, liable to retire by rotation.

The aforesaid re-appointment/appointment of Directors were recommended by the Nomination and Remuneration cum Compensation Committee and were approved by the Board subject to approval of shareholders.

Subsequent to the above said re-appointment and appointments, the Company approached shareholders for their approvals under the relevant provisions of the Companies Act, 2013 read with SEBI Listing Regulations, by way of Postal Ballot Notice dated March 28, 2024 and accordingly the appropriate resolutions for (i) re-appointment of Dr. Arvind Sahay as an Independent Director; (ii) appointment of Mr. Sunil Ramakant Bhumralkar and Ms. Nidhi Jagat Killawala as Independent Directors; and (iii) appointment of Ms. Amita Birla as a Non-executive Director of the Company were approved by the shareholders on May 2, 2024. Voting results of the said Postal Ballot (remote e-voting) have been declared on May 3, 2024 and informed to the Stock Exchanges.

Ms. Gauri Rasgotra (DIN: 06862334) ceased to be an Independent Director of the Company with effect from May 8, 2024 upon completion of her 10 (ten) years term. The Board placed on record its sincere appreciation and gratitude for the guidance and valuable contribution by Ms. Gauri Rasgotra during her tenure as a member of the Board. Consequent to which, the Board of Directors in its meeting held on May 7, 2024, based on the recommendation of the Nomination and Remuneration cum Compensation Committee approved appointment of Prof. Janat Shah (DIN: 01625535), as an Additional Director of the Company, designated as an Independent Director with effect from May 7, 2024, not liable to retire by rotation subject to approval of shareholders at the ensuing Annual/General Meeting of the Company.

In accordance with provisions of Section 152 of the Act and pursuant to Articles of Association of the Company, Mr. CK Birla (DIN: 00118473) Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The brief details with respect to appointment of Mr. CK Birla and Prof. Janat Shah, as required to be disclosed in

accordance with Regulation 36 of SEBI Listing Regulations, Companies Act, 2013 and Secretarial Standards are included in the notice of the ensuing Annual General Meeting forming part of this Annual Report.

During the year under review, the Non-Executive Directors (NEDs) of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and commission, as applicable, received by them.

In terms of Regulation 25(8) of the SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based upon declarations received from Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and that they are independent of the management.

Further, in the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs. Independent Directors are not subject to retire by rotation. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Board members and Senior Management and Codes under SEBI (Prohibition of Insider Trading) Regulations, 2015.

During the year under review, Mr. Saikat Mukhopadhyay, Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) resigned with effect from the close of business hours on July 23, 2023. Mr. Ajay Madhusudan Kapadia, Vice President - Finance & Accounts of the Company, was appointed as CFO and KMP of the Company with effect from July 24, 2023.

Mr. Mahesh Thakar, Head - Legal, Company Secretary and Compliance Officer (ACS - 23137) of the Company resigned from the office of Company Secretary and Key Managerial Personnel with effect from January 28, 2023. Mr. Ajay Kapadia, Vice President - Finance & Accounts was appointed as the Compliance Officer of the Company with effect from January 28, 2023 till July 15, 2023. The Board of Directors, on the recommendation of Nomination and Remuneration cum Compensation Committee, approved the appointment of Mr. Kamal Saboo, Head- Legal of the Company and also an associate member of the Institute of Company Secretaries of India (ACS - 20902) as the Company Secretary, KMP and Compliance officer of the Company effective July 15, 2023, till the appointment of the new incumbent to ensure adherence to the regulatory compliances. He continued to hold the

said office up to the close of business hours on September 1, 2023. Thereafter, on the recommendation of Nomination and Remuneration cum Compensation Committee, the Board of Directors approved the appointment of Ms. Nidhi Bisaria, (FCS 5634) as the Company Secretary, KMP and Compliance officer of the Company with effect from September 2, 2023.

During the financial year 2023-24, the overall managerial remuneration paid/ payable to Mr. Akshat Seth, Managing Director & CEO exceeds the limits stipulated under the provisions of section 197 of the Act, 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 Act has been included in the Notice of 77th Annual General Meeting.

In terms of provisions of section 203 of the Act, following were the KMPs of the Company as on March 31, 2024:

- i. Mr. Akshat Seth, Managing Director & CEO
- ii. Mr. Ajay Madhusudan Kapadia, Chief Financial Officer
- iii. Ms. Nidhi Bisaria, Company Secretary and Compliance Officer

BOARD EVALUATION

Pursuant to the provisions of the Act and SEBI Listing Regulations, a formal evaluation of the performance of the Board, its Committees, the Chairman and the individual directors is conducted. Structured forms covering evaluation of the Board, the Committees of the Board, the Chairperson, Independent Directors and Non-Independent Directors are devised for evaluation by all the Directors. Each Director rate against various criteria such as composition of the Board, receipt of regular inputs and information, functioning, performance and structure of the Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at the Board meetings, leadership, etc.

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

Further, as per the SEBI Listing Regulations, the following is the matrix of skills and competencies on which all the Directors are evaluated:

- ▶ Governance and Board service
- ▶ Business Understanding
- ▶ Risk/Legal/Regulatory Compliance

- ▶ Information Technology/ Accounting/Financial Experience
- ▶ Industry/Sector Knowledge
- ▶ Strategy development and implementation

In a separate meeting of Independent Directors, performance of Non-Independent Directors (NEDs), the Board as a whole and the Chairman of the Company was evaluated. The performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. The evaluation was carried out in terms of the Nomination, Remuneration & Evaluation Policy of the Company. The Nomination and Remuneration cum Compensation Committee of the Company annually reviews the performance evaluation process.

The evaluation process confirms that the Board and its Committees continue to operate effectively and that the performance of the Directors meets expectations.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

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

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

Pursuant to Regulation 46 of SEBI Listing Regulations, the details required are available on the Company's website https://hil.in/wp-content/uploads/2024/04/Familiarization-Program-for-IDs-dt-31032024_26042024.pdf.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company endeavours to have an appropriate mix of executive, non-executive and independent directors to maintain independence from management and who continuously provide guidance on appropriate governance. The selection and appointment of Board members are done on the recommendations of the Nomination and Remuneration cum Compensation Committee. The appointments are based on meritocracy and having due regard for diversity. While

evaluating the candidature of an independent director, the Committee abides by the criteria for determining independence as stipulated under the Companies Act, 2013 and the SEBI Listing Regulations. In case of re-appointment of directors, the Board takes into consideration the results of the performance evaluation of the directors.

The Nomination, Remuneration & Evaluation Policy for Directors, Key Managerial Personnel and Senior Management is placed on the website of the Company and can be accessed through the web link <https://hil.in/wp-content/uploads/2019/05/Nomination-Remuneration-Evaluation-Policy.pdf>.

The objective of the Company's remuneration policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of the Company's stakeholders.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board has constituted a CSR Committee and has a well-defined policy on CSR as per the requirement of Section 135 of the Companies Act, 2013, which covers the activities as prescribed under Schedule VII of the Companies Act, 2013. The details about the CSR Committee are provided in the Corporate Governance Report, which forms part of this Report.

During the financial year 2023-24, the Company was required to spend ₹ 388.41 lakh, i.e., 2% of average of the net profits of last three financial years, on CSR activities and the actual CSR spent during the financial year 2023-24 was ₹ 406.50 lakh. Accordingly, the excess CSR spend of ₹ 18.09 lakh is carried forward for set off against the CSR obligation of the Company up to succeeding three financial years, i.e., up to financial year 2026-27. The Annual Report on CSR Activities, pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, forms part of this Report as **Annexure I**.

The CSR policy of the Company is placed on the Company's website and can be accessed through the web link: <https://chat.google.com/dm/85GNOMAAAAE/jKtFYU9gyTs/jKtFYU9gyTs?cls=10df>.

ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company for the financial year 2023-24 can be accessed through the web link on the Company's website https://hil.in/wp-content/uploads/2024/05/HIL-Form_MGT_7-dt-31-03-2024-pdf.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

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

- I. In preparation of the Annual Accounts for the financial year ended March 31, 2024, all the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and Companies Act, 2013 have been followed and there were no material departures.
- II. They have adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2024.
- III. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Annual Accounts for the financial year ended March 31, 2024 have been prepared on a going concern basis.
- V. Proper internal financial controls were in place and that the financial controls were adequate and operating effectively.
- VI. The systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

RISK MANAGEMENT

The Company has constituted a Risk Management Committee of the Board to review the enterprise risk management plan/process of the Company. The Risk Management Committee identifies potential risks, assesses their potential impact and develops strategies to mitigate the risks. Periodic follow-ups to monitor the status of strategies/actions initiated to mitigate the risks is also conducted.

The Company has a Risk Management Policy which has been approved by the Board. The Risk Management Policy acts as an overarching statement of intent and establishes the guiding principles by which risks are identified, assessed and mitigated across the organization. The Board reviews the risks associated with the enterprise periodically and oversees the implementation of various aspects of the Risk Management Policy through a duly constituted Risk Management Committee (RMC). The RMC assists Audit Committee/ the

Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall Business Risk Management Framework.

There are no risks identified by the Board which may threaten the existence of the Company. Please refer detailed section on risk management covered in the Management Discussion and Analysis Report which is an integral part of this report.

The details about composition of the Risk Management Committee and its meetings, attendance is provided in Corporate Governance Report which forms part of this Report.

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, a detailed report on Corporate Governance forms an integral part of this Annual Report and is set out as a separate section.

The certificate of M/s B S R and Co, (ICAI Firm Registration Number 128510W), Chartered Accountants, the Statutory Auditors of the Company, certifying compliance with the conditions of corporate governance as stipulated in the SEBI Listing Regulations is annexed with the Report on Corporate Governance. The Auditors' certificate for the financial year 2023-24 does not contain any qualification, reservation or adverse remark.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

VIGIL MECHANISM

The Company has in place a robust vigil mechanism through a Whistle Blower Policy to deal with instances of illegal practices, unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics Policy.

Adequate safeguards are provided against victimization to those who take recourse to the mechanism. The details of the Whistle Blower Policy are explained in the Corporate Governance Report. The Whistle Blower Policy is available on the Company's website and can be accessed through the web link <https://hil.in/wp-content/uploads/2019/07/HIL-WHISTLE-BLOWER-POLICY-REVISED-19-03-19.pdf>.

The complaints received under Whistle Blower Policy are investigated thoroughly and detailed update including action taken, if any, on the same are presented to the Audit Committee and Statutory Auditors of the Company. There was one complaint received during the financial year 2023-24 and one complaint was carried forward from the previous financial year, both the complaints have been resolved during the financial year 2023-24 with appropriate action.

PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Prevention of Sexual Harassment at Workplace Act, 2013 and the Rules thereunder. The Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment.

The details of the number of cases filed under sexual harassment and their disposal, during the financial year 2023-24 is as under:

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

RELATED PARTY TRANSACTIONS

In line with the requirements of the Act 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 were at 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 an arm's length basis, from the Audit Committee/Board. 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, the Board and the 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 transaction 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 this Report as **Annexure - II**.

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.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Company has put in place adequate internal financial control procedures commensurate with its size, complexity and nature of business. The Company has identified and documented all key financial controls, which impact the financial statements as part of its Standard Operating Procedures. The financial controls are tested for operating effectiveness through ongoing monitoring and review process by the management and also independently by the Internal Auditor during the audit reviews. Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls and these are in turn reviewed at regular intervals.

Further, HIL continues to remain vigilant on the evolving cybersecurity threat landscape. In our endeavour to maintain a robust cybersecurity posture, the team has remained abreast of emerging cybersecurity events, so as to achieve higher compliance and its continued sustenance. Our ongoing commitment to leveraging technology remains steadfast with a focus on delivering value and creating a future ready organization. We continue to be certified against the Information Security Management System (ISMS) Standard ISO 27001-2013. During the year, our focus was on cybersecurity personnel training, reskilling and building a security culture of collective onus.

Based on the review, nothing has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year.

AUDITORS

STATUTORY AUDITORS

M/s. B S R and Co, Chartered Accountants (FRN - 128510W) have been appointed as Statutory Auditors of the Company

for a period of five years i.e. from conclusion of 75th Annual General Meeting (AGM), held on July 29, 2022, till the conclusion of the 80th Annual General Meeting of the Company to be held in year 2027 under the provisions of section 139 and 142 of the Companies Act, 2013 read with Rules made thereunder.

The Auditors' Report for the financial year 2023-24 does not contain any reservation, qualification or adverse remark, on the financial statements of the Company. Auditors' Report is self-explanatory and therefore, does not require further comments and explanation.

Further, in terms of section 143 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, notifications / circulars issued by the Ministry of Corporate Affairs from time to time, no fraud has been reported by the Auditors of the Company where they have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company.

INTERNAL AUDITORS

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

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

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

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the rules framed thereunder, the cost audit records maintained by the Company in respect of its specified products are required to be audited by a Cost Auditor. The Board of Directors, on recommendation of the Audit Committee, re-appointed M/s. S.S. Zanwar & Associates, (Firm Registration No. 100283), as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025 at a remuneration of ₹ 8 Lakh (Rupees Eight lakh only) plus out of pocket

reimbursements. The requisite resolution for ratification of remuneration of Cost Auditor by the shareholders of the Company has been set out in the Notice of ensuing AGM. The Cost Auditor has certified that their appointment is within the limits as prescribed under Section 141(3)(g) of the Act and that they are not disqualified from such appointment within the meaning of the said Act.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder and Regulation 24A of SEBI Listing Regulations, the Board of Directors, on recommendation of the Audit Committee, appointed M/s. Ranjeet Pandey & Associates, Company Secretaries to undertake the secretarial audit of the Company for the financial year ending March 31, 2025. Pursuant to Section 139 and 141 of the Act and relevant Rules prescribed thereunder, the Company has received a certificate from the Secretarial Auditors, inter alia, confirming that their appointment is within the limits laid down by the Act and rules made thereunder. Further, as per their declaration, they are not disqualified for being appointed as Secretarial Auditors under the provisions of applicable laws and also that there are no pending proceedings against them involving matters of professional misconduct.

The Secretarial Audit Report issued by M/s. Ranjeet Pandey & Associates, Company Secretaries for the financial year ended March 31, 2024 is given in **Annexure III** attached hereto and forms part of this report. The report does not contain any qualifications, reservations or adverse remarks.

The Company has undertaken an audit for the financial year 2023-24 for all the applicable compliances under various regulations, circulars and notifications issued by the Securities and Exchange Board of India ("SEBI") and accordingly received Annual Secretarial Compliance Report from M/s. Ranjeet Pandey & Associates, Company Secretaries in terms of the SEBI Circular dated February 8, 2019 without any observations or comments and a copy of the same has been submitted to the Stock Exchanges within the prescribed time limit.

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantees /security provided and inter-corporate investments made during the financial year ended March 31, 2024 forms part of notes to the financial statements of the Company for the financial year 2023-24 at note no. 7, 9 and 38.

Subsequent to March 31, 2024, the Company acquired 35,53,000 equity shares of Crestia Polytech Private Limited

("Crestia") of ₹ 10/- each by subscribing to the private placement offered by Crestia at an aggregate consideration of ₹ 69.99 crore. Further, the Company acquired 44,90,000 equity shares of ₹ 10/- each from the existing shareholders of Crestia, thereby making it a wholly owned subsidiary of the Company with effect from April 5, 2024 at an aggregate consideration of ₹ 88.45 crore.

DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as on March 31, 2024.

SUBSIDIARIES AND JOINT VENTURES

The following are the details of subsidiaries and joint ventures of the Company as on March 31, 2024:

S. No.	Legal name of the entity	Relationship	Country of incorporation and Date	Full address
1	HIL International GmbH	Subsidiary (Wholly Owned Subsidiary)	Germany, 03.07.2018	Millenkamp 7-8, 48653 Coesfeld, Germany
2	Parador Holding GmbH	Step Down Subsidiary (WOS to HIL International GmbH)	Germany, 20.06.2016	Millenkamp 7-8, 48653 Coesfeld, Germany
3	Parador GmbH	Step Down Subsidiary (WOS to Parador Holding GmbH)	Germany, 21.09.2015	Millenkamp 7-8, 48653 Coesfeld, Germany
4	Parador Parkettwerke GmbH	Step Down Subsidiary (WOS to Parador GmbH)	Austria, 10.04.1998	Wiener Strasse 66, 7540 Güssing, Austria
5	Parador (Shanghai) Trading Co., Ltd.	Equity Joint Venture (50%) of Parador GmbH and (50%) Horgus Oriental Glamour Co., Ltd	Republic of China, 08.08.2018	Room 1006, Floor 10, No 233 Taicang Road, Huangpu District, Shanghai Municipality, the People's Republic of China
6	Parador UK Limited	Step Down Subsidiary (WOS to Parador GmbH)	England and Wales, 13.07.2022	C/o Rodl & Partner Legal Ltd 170 Edmund Street Ground Floor, Birmingham, United Kingdom B3 2HB

Subsequent to March 31, 2024 and till the date of this Report, following entities have become the subsidiaries of the Company:

S. No.	Legal name of the entity	Relationship	Country of incorporation and Date	Full address
1	Crestia Polytech Private Limited	Wholly owned Subsidiary	India 09.05.2013	1st Floor, Rani Plaza, Exhibition Road, Patna, Bihar, India, 800001
2	Topline Industries Private Limited		India 01.05.2020	Plot No. 101, Rani Plaza, 1st Floor, East Exhibition Road, Patna, Bihar, India, 800001
3	Aditya Polytechnic Private Limited	Step Down Subsidiaries (WOS to Crestia Polytech Private Limited)	India 08.04.2015	R, Flat No- 3A, B- Block Pushp Vihar, Exhibition Road, Patna, Bihar, India, 800001
4	Prabhu Sainath Polymers Private Limited (earlier known as Sainath Polymers, a partnership firm)		India 15.03.2024	101, Rani Plaza Apartment, Exhibition Road, Chiraiyatand, Patna G.P.O., Patna, Phulwari, Bihar, India, 800001

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

Supercor Industries Limited

The Company holds 33% of the share capital in Supercor Industries Limited ("Supercor"), a company incorporated

under the laws of Nigeria. The State Government of Bauchi, Nigeria and other shareholders hold the remaining 67% of the share capital in Supercor.

During the year there was no significant development at Supercor Industries Limited. Supercor had already suspended its operations since the year 2016 due to cash flow crisis. The Company informed the Board of Supercor Industries Limited about its intention to sell its stake and has

not been participating in any of the discussions of the Board / Management for last five years. The Interim Board set up by the Nigerian Government is not responsive and the Company is waiting to hear from the Board of Supercor for deciding further course of action. Accordingly, the Company has submitted an application to Reserve Bank of India (RBI) for suspension of UAN allotted towards the above said investment in Supercor and the same has been suspended by RBI.

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

PARTICULARS OF EMPLOYEES, DIRECTORS AND KEY MANAGERIAL PERSONNEL

The disclosures relating to remuneration and other details as required in terms of the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure V**, which forms an integral part of this Report. Further, in terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information will be made available for inspection through electronic mode by writing to the Company at **cs@hil.in** from the date of circulation of the AGM Notice till the date of the AGM.

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

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 of the Companies Act, 2013

read with the Companies (Accounts) Rules, 2014 are given in **Annexure VI** attached hereto and forms part of this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

In terms of amendment to Regulation 34(2)(f) of the SEBI Listing Regulations, Business Responsibility and Sustainability Report ("**BRSR**") of the Company for the financial year ended March 31, 2024 forms part of this Annual Report and is set out as a separate section.

EMPLOYEE STOCK OPTIONS

Pursuant to the approval by the shareholders dated April 4, 2023 through postal ballot, the Board (includes "**Committee**" thereof) was authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company under "HIL Limited Employee Stock Options Scheme 2023" ("**Scheme**") and maximum number of shares under the said Scheme shall not exceed 1,31,868 equity shares of ₹ 10/- each.

During the financial year 2023-24, on the recommendation of the Nomination and Remuneration cum Compensation Committee, the Board of Directors granted 65,656 stock options under the said Scheme to the eligible employees of the Company and issued award letters for the number of shares equivalent to the options granted to the eligible employees. The relevant disclosure under Section 62 of the Companies Act, 2013 read with Rules made thereunder and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**SEBI (SBEB&SE) Regulations, 2021**) as of March 31, 2024, has been uploaded on the website of the Company and can be accessed through the web link **<https://hil.in/investor-relations/>**.

A certificate from M/s. Ranjeet Pandey & Associates, Company Secretaries, Secretarial Auditors of the Company confirming that the scheme has been implemented in accordance with the SEBI (SBEB&SE) Regulations, 2021 would be placed at the ensuing Annual General Meeting of the Company for inspection by the shareholders.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURT

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

MATERIAL CHANGES AND COMMITMENTS

During the financial year, the Board of Directors approved acquisition of 100% equity share capital of Crestia Polytech Private Limited ("**Crestia**") along with four other entities, namely, Topline Industries Private Limited, Aditya Polytechnic Private Limited, Sainath Polymers (upon conversion to private limited company) and Aditya Industries (upon conversion to private limited company) ("**Crestia Group**") at an aggregate enterprise value of ₹ 265 crore and other terms and conditions as agreed under the Share Subscription and Purchase Agreement ("**SSPA**") (includes amendment(s) and addendum(s) thereof) executed on March 11, 2024 between HIL, Crestia and shareholders of Crestia and Crestia Group, to strengthen the Company's Pipes and Fittings business in Eastern India.

As per the terms of the said SSPA, the Company on April 5, 2024, acquired 100% of the equity paid-up share capital of Crestia, thereby making Crestia a wholly owned subsidiary of the Company with effect from April 5, 2024. Further, as per the said SSPA, Crestia entered in to Share Purchase Agreement ("**SPA**") on April 5, 2024 with Topline Industries Private Limited, Aditya Polytechnic Private Limited, Prabhu Sainath Polymers Private Limited (formerly Sainath Polymers) and its existing shareholders and acquired 100% of the equity share capital of all three entities making them as wholly-owned subsidiaries of Crestia and step-down subsidiaries of HIL with effect from April 5, 2024. However, acquisition of Aditya Industries is yet to be completed as the conversion of said partnership firm into private limited company is under process and the same would be completed once the conversion has occurred.

Other than the developments mentioned above, there were no other material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year March 31, 2024 to which the financial statements relate and the date of signing of this report.

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

CHANGE IN THE NATURE OF BUSINESS

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

OTHER STATUTORY DISCLOSURES

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

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors
HIL Limited

Place: New Delhi
Date: May 7, 2024

CK Birla
Chairman
DIN: 00118473

Annexure - I

Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year ended March 31, 2024

[Pursuant to Section 135 of the Companies Act, 2013 & Rules made thereunder]

1. Brief outline on CSR Policy of the Company:

HIL aims to create a need-based, sustainable, and community-driven model for its CSR initiatives. The Company is committed to and encourages its employees to serve the community in need and give back to the society through various developmental activities for women, children, and environment (including natural calamities). The Company seeks to leverage its strength, global presence, and strong employee base to transform the delivery of its social programs efficiently and effectively.

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

2. Composition of CSR Committee:

S. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Desh Deepak Khetrpal	Chairman, Non-Executive Director	4	4
2	Mr. VV Ranganathan (till March 18, 2024)	Member, Independent Director	4	4
3	Ms. Gauri Rasgotra	Member, Independent Director	4	2
4	Mr. Sunil Bhumralkar (w.e.f. March 28, 2024)	Member, Independent Director	NA	NA
5	Mr. Akshat Seth (w.e.f. March 28, 2024)	Member, Managing Director & CEO	NA	NA

3. Web-link(s) where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

CSR Policy: <https://hil.in/wp-content/uploads/2023/06/HIL-Corporate-Social-Responsibility-Policy-1.pdf>.

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

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

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

5. (a) Average net profit of the Company as per Section 135(5): ₹ 19,420.59 lakh

(b) Two percent of average net profit of the Company as per section 135(5): ₹ 388.41 lakh

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

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

(e) Total CSR obligation for the financial year (5a+5b-5c): ₹ 388.41 lakh

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 406.50 lakh

(b) Amount spent in administrative overheads: Nil

(c) Amount spent on impact assessment, if applicable: Nil

(d) Total amount spent for the financial year [(a)+(b)+(c)] - ₹ 406.50 lakh

(e) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (in ₹ lakh)	Amount Unspent (in ₹ lakh)				
	Total amount transferred to unspent CSR account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount (in ₹ lakh)	Date of transfer	Name of the fund	Amount (in ₹ lakh)	Date of transfer
406.50	Nil	Not Applicable		Not Applicable	

f) Excess amount for set-off, if any:

S. No.	Particulars	Amount (in ₹ lakh)
(i)	Two percent of average net profit of the Company as per section 135(5)	388.41
(ii)	Total amount spent for the financial year	406.50
(iii)	Excess amount spent for the financial year ((ii)-(i))	18.09
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	18.09

7. Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding financial year	Amount transferred to unspent CSR account under section 135(6) (in ₹ lakh)	Balance amount in unspent CSR account under sub-section (6) of section 135 (in ₹ lakh)	Amount spent in the financial year (in ₹ lakh)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹ lakh)	Deficiency, if any
					Amount (in ₹ lakh)	Date of transfer		
1	FY-1				NIL			
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5): Not applicable

Place: New Delhi
Date: May 7, 2024

Desh Deepak Khetrapal
Chairman of CSR Committee
DIN: 02362633

CK Birla
Chairman of Board
DIN: 00118473

Annexure - II

Details of Related Party Transactions

Form No. AOC-2

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

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

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangement or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Ms. Avanti Birla, President - Strategy, a relative of Mr. Chandrakant Birla, Chairman and Non-executive Director and Ms. Amita Birla, Non-executive Director of the Company.	Payment of remuneration	Ongoing	Annual remuneration of ₹ 180,00,000 (Rupees One crore and Eighty lakh only) paid for the financial year 2023-24 consisting of basic salary, house rent allowance, special allowance, variable pay, other allowances, contribution to provident fund, superannuation fund and gratuity apart from other benefits and facilities, as per the rules and policies of the Company.	May 15, 2023	Not applicable
2.	Ms. Avanti Birla, President - Strategy, a relative of Mr. Chandrakant Birla, Chairman and Non-executive Director and Ms. Amita Birla, Non-executive Director of the Company.	Grant of long-term cash incentive	One time	Grant of long-term cash incentive for an amount of up to ₹ 1,39,00,730/- (Rupees One Crore Thirty-Nine lakh Seven Hundred Thirty Only) (" Award Amount "), assuming 100% performance level as per the long-term incentive (LTI) plan of the Company, payable in cash, in two tranches: (i) 40% of the Award Amount, at the end of the financial year ("FY") 2023-24, based on the performance of the Company for the FY 2023-24; and (ii) 60% of the Award Amount, at the end of FY 2024-25 based on the performance of the Company for the FY 2024-25.	February 2, 2024	Not applicable

For and on behalf of the Board of Directors
HIL Limited

CK Birla
 Chairman
 DIN: 00118473

Place: New Delhi
 Date: May 7, 2024

Annexure - III

Secretarial Audit Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2024

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

To
The Members,
HIL Limited,
Office Nos. 1 & 2, L7 Floor, SLN Terminus, Survey No.133,
Near Botanical Gardens, Gachibowli,
Hyderabad-500032, Telangana

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

Based on our verification of **HIL Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- iv) The Foreign Exchange Management Act, 1992 to the extent of Overseas Direct Investment;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- vi) As confirmed by the management, there is no law which is specifically applicable to the Company, being a Company engaged in offering comprehensive building material solutions.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above. Further, the managerial remuneration paid/payable to the Managing Director and Chief Executive Officer of the Company for the financial year 2023-2024 is ₹ 854.11 lakhs as compared to the prescribed limits under Section 197 read with Schedule V of the Act of ₹ 578.39 lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors/members of the committee, as the case may be, to schedule the Board Meetings including committee meetings during the financial year under review, agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

In terms of the minutes of the board and committee meetings, all the decisions have been carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

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

We further report that, during the audit period, the Company has:

- i) Declared and paid dividend and necessary compliances of the Act were made.
- ii) Allotted shares under the HIL Employee Stock Option Scheme, 2019 and necessary compliance of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 were made.

For Ranjeet Pandey & Associates
 Company Secretaries

CS Ranjeet Pandey
 FCS- 5922, CP No.- 6087
 UDIN:- F005922F000324339

Place: New Delhi
 Date: May 7, 2024

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

Annexure-I

To
 The Members,
HIL Limited,
 Office Nos. 1 & 2, L7 Floor, SLN Terminus, Survey No.133,
 Near Botanical Gardens, Gachibowli, Hyderabad-500032, Telangana

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

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

For Ranjeet Pandey & Associates
 Company Secretaries

CS Ranjeet Pandey
 FCS- 5922, CP No.- 6087
 UDIN:- F005922F000324339

Place: New Delhi
 Date: May 7, 2024

Annexure - IV

Report on Subsidiaries & Joint Ventures

FORM AOC-1

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

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries:

(₹ in lakh unless otherwise mentioned)

Name of the subsidiary		HIL International GmbH, Germany	Parador Holdings GmbH, Germany	Parador GmbH, Germany	Parador Parkettwerke GmbH, Germany	Parador UK Ltd., England
S.No	Particulars	Wholly Owned Subsidiary	Step Down Subsidiary	Step Down Subsidiary	Step Down Subsidiary	Step Down Subsidiary
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2023 – 31.03.2024	01.04.2023 – 31.03.2024	01.04.2023 – 31.03.2024	01.04.2023 – 31.03.2024	01.04.2023 – 31.03.2024
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Reporting currency: Euro Exchange rate: a. Average rate ₹ 89.78588/ Euro is considered for P&L items b. Closing rate ₹ 89.89686/ Euro is considered for balance sheet items				Reporting currency: GBP Exchange rate: a. Average rate ₹ 104.03904/ GBP is considered for P&L items b. Closing rate ₹ 105.12996/ GBP is considered for balance sheet items
3	Share capital	€ 3,40,25,000.00	€ 1,00,000.00	€ 25,000.00	€ 3,27,027.75	£10,000.00
4	Reserves & surplus	14,000.61	9,112.37	1.42	10,965.16	18.76
5	Total assets	87,920.53	35,204.77	59,409.38	21,047.97	656.07
6	Total liabilities	48,718.10	26,002.50	59,385.48	10,661.78	1,267.55
7	Investments	48,568.48	23.43	7,749.18	-	-
8	Turnover	-	-	1,22,511.84	24,524.35	1,893.28
9	Profit before taxation	(7,934.97)	-	-	(1,408.11)	(785.07)
10	Provision for taxation	-	-	-	14.01	-
11	Profit after taxation	(5,378.94)	-	-	(871.88)	(634.11)
12	Proposed dividend	-	(7,361.47)	(7,049.15)	-	-
13	% of shareholding	100% held by HIL Limited	100% held by HIL International GmbH, Germany	100% held by Parador Holdings GmbH, Germany	100% held by Parador GmbH, Germany	100% held by Parador GmbH, Germany

1. Names of subsidiaries which are yet to commence operations: NIL

2. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part "B": Associates and Joint Ventures

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

S. No.	Name of Joint Ventures	Supercor Industries Limited, Nigeria	Parador (Shanghai) Trading Co., Ltd., China*
1	<ul style="list-style-type: none"> Last audited balance sheet date Latest Balance Sheet 	31st December, 2015 Refer note no. 53 to consolidated notes to Accounts.	31st December, 2023 Refer note no. 53 to consolidated notes to Accounts.
2	Shares of Joint Ventures held by the Company on the year end <ul style="list-style-type: none"> Number Amount of investment in JV Extent of holding 	41,25,000 equity shares of Naira 1/- each ₹ 142.60 lakh 33%	One share of EURO 100,000 each ₹ 323.74 lakh 50%
3	Description of how there is significant influence	There is no significance influence	There is no significance influence
4	Reason why the associate/joint venture is not consolidated	Refer note no. 53 to consolidated notes to Accounts	Not applicable
5	Net worth attributable to shareholding as per latest Balance Sheet	Refer note no. 53 to consolidated notes to Accounts	₹ 115.41 lakh
6	Profit/(Loss) for the year <ul style="list-style-type: none"> Considered in Consolidation Not Considered in Consolidation 	Refer note no. 53 to consolidated notes to Accounts	₹ (58.33) lakh

- Names of associates or joint ventures which are yet to commence operations: NIL
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors
HIL Limited

CK Birla
 Chairman
 DIN: 00118473

Akshat Seth
 Managing Director & CEO
 DIN: 10039820

Ajay Kapadia
 Chief Financial Officer
 Membership No. 108447

Nidhi Bisaria
 Company Secretary
 Membership No. F5634

Place: New Delhi
 Date: May 7, 2024

Annexure - V

Disclosure of Remuneration

[Pursuant to Provision of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of HIL for the financial year 2023-24 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24:

S. No.	Name of the Director/ Key Managerial Personnel (KMP) and Designation	Ratio of remuneration of each Director/ KMP to median remuneration of employees	% Increase/ (Decrease) in remuneration in the financial year 2023-24
1.	Mr. CK. Birla - Chairman	6.11	(10%)
2.	Mr. Akshat Seth - Managing Director & CEO	101.90	Nil
3.	Mr. Desh Deepak Khetrpal - Non-executive Director	2.38	(13%)
4.	Ms. Gauri Rasgotra - Independent Director	1.70	(17%)
5.	Dr. Arvind Sahay - Independent Director	1.70	(17%)
6.	Mr. VV Ranganathan - Independent Director (ceased w.e.f. March 19, 2024)		Not Applicable (Refer Note b)
7.	Mr. Sunil Bhumralkar - Independent Director (appointed w.e.f. March 18, 2024)		
8.	Mr. Saikat Mukhopadhyay - Chief Financial Officer (up to July 23, 2023)	Not Applicable (Refer Note a)	6%
9.	Mr. Ajay Kapadia - Chief Financial Officer (appointed w.e.f. July 24, 2023)		
10.	Mr. Kamal Saboo - Company Secretary (w.e.f. July 15, 2023 till September 1, 2023)		Not Applicable (Refer Note b)
11.	Ms. Nidhi Bisaria - Company Secretary (appointed w.e.f. September 2, 2023)		

Notes:

- Ratio of remuneration to median remuneration of employees for the financial year 2023-24 could not be provided as the Director/officials held their respective offices for part of the financial year.
 - % increase of remuneration for the financial year 2023-24 could not be provided as the Director/officials were appointed/ceased during the financial year.
 - Sitting fees is paid based on the number of meetings attended by the Non-executive/Independent Director, hence the % increase is not comparable and not considered for the purpose of above calculations.
- (ii) During the financial year 2023-24, there was an increase of 7% in the median remuneration of employees.
- (iii) As on 31st March 2024, there were 1,839 permanent employees on the rolls of the Company.
- (iv) Average percentile increase in the salaries of employees, other than the managerial personnel, during the financial year 2023-24 was 9%. The Managing Director & CEO of the Company was appointed during the last quarter of the financial year 2022-23 and hence there was no increase in the managerial remuneration during the financial year 2023-24.
- (v) It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors
HIL Limited

Place: New Delhi
Date: May 7, 2024

CK Birla
Chairman
DIN: 00118473

Annexure - VI

Statement of particulars of the conservation of energy, technology absorption, foreign exchange earnings and outgo

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

A. Conservation of energy

I. Steps taken or impact on conservation of energy

In its commitment to energy conservation and optimization, HIL has implemented several initiatives. This includes upgrading from International Efficiency 2 (IE2) motors to more efficient IE3 models, introducing Variable Frequency Drives (VFDs) for smoother power pack operations, and making process modifications aimed at lowering specific energy consumption. These strategic actions have yielded tangible results, with a 1.9% and 5.6% decrease in energy consumption units per metric ton (MT) at the Faridabad and Kondapalli roof sheeting plants respectively. Additionally, there has been a significant 8.6% reduction in energy consumption units per cubic metre (m³) at Jhajjar AAC Blocks manufacturing plant.

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

The Company currently boasts of a robust renewable energy infrastructure, with a combined capacity of 9.35MW across wind turbine generators situated in Gujarat, Tamil Nadu, and Rajasthan. This sustainable energy not only powers operations but also contributes to the local grid. Emphasizing environmental responsibility, the Company strategically utilizes a portion of this energy to support its Fly-Ash Bricks (AAC Blocks) manufacturing units in Gujarat and Tamil Nadu, reducing reliance on non-renewable sources. In alignment with its commitment to sustainability, solar panels have been successfully integrated into manufacturing plants in Chennai (Tamil Nadu) and Faridabad (Haryana), effectively mitigating carbon emissions.

III. Capital investment on energy conservation equipment

Embracing the paradigm of Industry 4.0, the Company also made substantial investments in cutting-edge technologies to bolster its energy management endeavours. By leveraging advanced data analytics and real-time monitoring capabilities inherent in Industry 4.0, the Company aims to meticulously track energy consumption patterns across all its plants, analyse inefficiencies, and implement targeted measures to mitigate

energy wastage. This holistic approach underlines the Company's unwavering commitment to sustainability, and its proactive stance towards reducing its carbon footprint while simultaneously optimizing operational efficiency.

B. Technology absorption

I. Efforts made towards technology absorption

The Company is continuously striving to upgrade its technology in all aspects through in-house R&D, primarily aimed at new product development, cost reduction of existing products and improving product quality. Specific areas in which R&D was carried out during FY 2024 were:

- a. Filed four patent applications in India for the following:
 - i. Method of curing asbestos based cement product.
 - ii. White cement based water resistant putty and process of preparation thereof.
 - iii. A chlorinated polyvinyl compound.
 - iv. Accelerated carbonation curing of non-asbestos fiber cement boards and process thereof.
- b. Five patents were granted in India during the year.
- c. The Company was able to develop the following new products through its in-house R&D facility - 4.25m long Charminar roof, Coloured Charminar roof, "Ultra-cool" Charminar, false ceiling tile (Elite), waterproof plaster, multipurpose mortar, laminated c-boards, high STC panel, fire rated boards, spray plaster, high-strength grouts, foamcore pipes, silent pipes, blue casing pipes, and 10 other construction and coating related products.
- d. Improving quality of products through improved manufacturing processes and development of new raw material compositions.

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

A standout achievement is the creation of the Ultra-cool roof, a revolutionary product designed to enhance customer comfort and prolong the lifespan of roofing materials by reducing temperatures. This innovative solution also boasts of superior aesthetic appeal while offering anti-fungal, anti-algal, anti-bacterial, and water-repellent properties.

Furthermore, the Company's commitment to sustainability is evident in its waste management practices. By implementing advanced processes, the Company has successfully repurposed dry waste as a substitute for fresh raw material within our products, including up to 4% for Charminar, up to 1.5% for Charminar Fortune and panels, and up to 2% for boards. Moreover, the Company's efforts have resulted in a nearly complete reuse of pipes and fittings dry waste, minimizing waste through efficient processing and contamination control.

The production costs have been significantly slashed through strategic measures such as

adopting cost-effective raw materials, optimizing power consumption, and enhancing technical efficiencies. With rising raw material prices, the Company has innovatively developed new blends of raw materials and their substitutes.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- (a) the details of technology imported: Not Applicable
- (b) the year of import: Not Applicable
- (c) whether the technology been fully absorbed: Not Applicable
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

IV. Expenditure incurred on Research and Development: ₹ 770.58 lakh.

C. Foreign exchange earnings and outgo

Details of foreign exchange earned in terms of actual inflows and the foreign exchange outgo in terms of actual outflows during the financial year are as under:

S. No	Particulars	2023-24 (₹ in lakh)	2022-23 (₹ in lakh)
A	Foreign exchange earned		
	Export of Goods (C&F basis for FY 2023-24 and FOB basis for FY 2022-23)	14.22	44.40
	Others	-	99.93
	Total	14.22	144.33
B	Foreign exchange used		
	Raw Materials, Components, Spares and Capital Goods (CIF)	45,856.30	44,618.46
	Others	3,767.76*	233.43
	Total	49,624.06	44,851.89

*Includes Loan given to subsidiary amounting to ₹ 3641.30 lakh.

For and on behalf of the Board of Directors
HIL Limited

Place: New Delhi
Date: May 7, 2024

CK Birla
Chairman
DIN: 00118473

Management Discussion and Analysis

Economic Overview

Global economy

According to IMF's projections, growth for 2024 and 2025 will hold steady at around 3.2%, with median headline inflation declining from 2.8% at the end of 2024 to 2.4% at the end of 2025.¹ Most indicators point to a soft landing. Geopolitical tensions continue to disrupt supply chains leading to a decline in international trade and climate change is pressuring all countries to radically alter their growth strategies and policies.

Since 2022, there has been high inflation that led to a significant drag on consumer spending. Responding to this, most Central banks globally, took swift action to curb inflation through interest rate hikes, which, while necessary, disincentivised investment activity. However, strong labour markets and business innovation helped maintain momentum. As Central banks approached the end of their tightening cycle, inflation began to show signs of easing, dropping from 8.8% in 2022 to 6.9% in 2023.

Indian economy

Despite a struggling global economy, India maintained its position as one of the fastest-growing large economies in the world. The Indian economy demonstrated strong resilience against the uncertain global landscape. With the increase in disposable income, both private consumption and spending have significantly improved. In FY24, the Indian economy grew strongly at 8.2% (as per National Statistical Office) which was supported by Central bank's monetary policies.

In FY 24, India attracted significant foreign direct investment (FDI) of nearly USD 17.96 billion. The Indian rupee has also shown relative stability during the year, supported by the country's robust economic performance and strong macroeconomic fundamentals. The rupee emerged as the third most stable Asian currency against the US dollar in the fiscal year 2023-24.

Despite potential headwinds such as hardening crude oil prices and global supply chain bottlenecks; India's FY25 growth is expected to remain strong at around 6.8% (as per IMF forecasts). This growth will be supported by buoyant domestic demand and a rising working-age population.

Industry Overview

Infrastructure industry

Infrastructure is a key enabler in helping India become a USD 26 trillion economy.² The infrastructure sector acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like, housing, built-up infrastructure, and construction development projects. The budget for infrastructure-related ministries during the year increased significantly to ₹ 5 lakh crore³ resulting in increased private sector investment. In addition, over the last few years, several infrastructure-related initiatives such as the National Infrastructure Pipeline and the National Monetization Pipeline have been launched to drive increased investments in the sector.

The Indian Government is making substantial investments to modernise the country's ageing infrastructure across transport, logistics, energy, etc. As the Government increasingly focuses on modernising and further strengthening the country's infrastructure, this will have a significantly positive impact on the building materials sector as the construction activity gathers pace across segments. The Indian construction market is expected to reach USD 1.42 trillion by 2027, expanding at a CAGR of 17.26% during the 2022-2027 forecast period.⁴

Real estate industry

The sustained growth of the Indian economy has also resulted in strong growth of the real estate industry. The real estate market is currently estimated at about ₹24 lakh crore with residential segment contributing to nearly 80% share.⁵ Notably, after the agricultural sector, the real estate sector is the second-largest employer in India. A key factor in the growth of the real estate sector is the rapid urbanization in the country. This is expected to lead to a sharp increase in not just housing demand; but also demand for commercial and retail spaces and rapid infrastructure development.

During FY25 continued developer action and a robust supply pipeline is likely to propel market growth and activity. An emerging trend that is also expected to change the current landscape of the residential real estate sector is the focus of developers on peripheral locations where infrastructure development is either in progress or planned.⁶

¹ <https://www.worldbank.org/en/publication/wdr2024>

² <https://www.ibef.org/industry/infrastructure-sector-india>

³ <https://www.investindia.gov.in/team-india-blogs/indias-push-infrastructure-development#:~:text=The%20total%20budgetary%20outlay%20for,across%20various%20transport%20sub%2Dsegments.>

⁴ <https://www.ibef.org/industry/infrastructure-sector-india>

⁵ <https://economictimes.indiatimes.com/industry/services/property/-construction/credai-projects-7-crore-additional-housing-demand-by-2030/articleshow/108547722.cms?from=mdr>

⁶ <https://www.hindustantimes.com/real-estate/4-real-estate-markets-to-watch-out-for-in-2024-101703328948252.html>

Technology adoption is also playing a pivotal role in the growth of the real estate sector, with PropTech innovations streamlining property transactions and management, thereby enhancing operational efficiencies. The industry is also making significant strides towards sustainability, in alignment with India's commitment at COP26 to achieve net-zero carbon emissions by 2070. The adoption of green building practices, guided by IGBC norms, aim to significantly reduce the sector's carbon footprint.

As per recent industry estimates (CREDAI), there will be additional housing demand of nearly seven crore by 2030. The real estate sector is expected to reach a market size of USD 1.3 trillion by FY34 and USD 5.17 trillion by FY47. Factors

such as stable mortgage rates, improving affordability, and a strong emphasis on homeownership are expected to continue to drive growth in the sector over the near to mid-term. These elements collectively foster a positive sentiment within the sector, indicating robust growth and investment over the coming years.

Fibre cement roofing industry

Fibre cement is a popular material used for roofing purposes across residential, commercial, and industrial sectors. Its durability and resistance against diverse weather conditions, including rain, hail and high winds makes it a popular choice for roofing applications.

Benefits of using fibre cement roofings



Fibre cement roofing is resistant to rot, mold, fire, and chemical damage, ensuring robust long-term performance without rusting or cracking.



Requires only occasional cleaning, fibre cement sheets remain functional and aesthetically pleasing with minimal effort.



The installation of fibre cement roofing improves air quality and flow, crucial for buildings that house livestock or when used for agriculture.



They are lightweight, available in large sizes and are easy to handle and install, reducing labour time and costs.

Growth drivers of the Indian cement roofing industry

Government stimulus for the rural sector

For the fiscal year 2025, the Government of India has raised the budget allocation for rural development to ₹1.77 lakh crore, marking a ~13% increase from the previous year's allocation of ₹1.57 lakh crore⁷. In addition, the interim budget has outlined several other initiatives for rural development such as increased allocation to Pradhan Mantri Awaas Yojana Gramin (PMAYG) and Deendayal Antyodaya Yojana- National Rural Livelihoods Mission (DAY-NRLM) which are likely to provide a strong boost to the roofing industry.

Growth in auxiliary sectors

Demand for sheds within the small-scale industries sector, is set to generate substantial opportunities for the fibre cement sector. Fibre cement is extensively utilised in constructing coops and shades and thereby continued growth of such industries (e.g., poultry) will drive increased sales for such roofing solutions.

Growth in rural economy

Above normal monsoon expectations (IMD) this year and potential revival in rural economy⁸ driven by various Government incentives is likely to bode well for the Company's roofing business.

Pipes & fittings industry

The Indian plastic Pipes & Fittings industry continued its strong double digit volume growth in FY24 driven by strategic investments in infrastructure development and introduction of several innovative product offerings. This was also accompanied by a sharp volatility in raw material prices with PVC resin prices dropping to multi year lows. This resulted in lower prices of products and thereby increased affordability for customers.

Several Government initiatives and affordable housing are also significant growth drivers for the industry. The plastic Pipes & Fittings industry is projected to continue to display double digit volume growth in FY25 supported by the surge in demand for durable and cost-effective piping solutions in the burgeoning construction and infrastructure sectors. Continued focus by the Government on improving sanitation standards and access to safe drinking water through initiatives such as Swachh Bharat Mission (Gramin), Jal Jeevan Mission and AMRUT 2.0 will provide additional impetus to the industry. Government initiatives on ensuring direct connectivity of piped natural gas (PNG) to households is another key factor that is likely to drive growth for the Indian plastic pipes and fittings industry.

⁷<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2001136>

⁸<https://www.sarkaritel.com/above-normal-monsoon-rainfall-in-2024-bodes-well-for-agricultural-sector/>

Flooring industry

The global flooring market is currently valued at ~USD 242 billion (per Freedonia Global Marketing Report 2023) of which US and Europe are two largest markets. With the increasing demand for aesthetic and sustainable flooring solutions and the incorporation of innovative technology, demand in the flooring industry continues to rise.

Within the global flooring industry, the European region is valued at over USD 52 billion in CY2024. Several trends are driving this growth, such as rising disposable income that allows more investment in home improvement, including flooring for both, new constructions and renovations. European flooring is increasingly shifting towards resilient choices, such as Luxury Vinyl Tiles (LVTs) as they offer design freedom and lasting durability. Consumers are also prioritising environment related responsibility along with style and durability thereby leading to rise in demand for high-quality stylish and sustainable flooring options. Additionally, surge in e-commerce, amplifying visibility and heightening customer convenience will pave the way for a potential boost in the sales of flooring solutions. The flooring industry in Europe is expected to reach USD 65.3 billion by 2029 growing at a CAGR of 4.7%.

US demand for flooring products is forecast to rise by 2.5% per year to reach 30.6 billion square feet (USD 54.3 billion) by 2027. In 2024, LVT is projected to surpass carpeting as the most popular flooring product in the US. Strong demand for LVT will continue to be supported by the product's favourable performance properties such as easy installation, superior aesthetics and improved durability.

Company overview

Established in 1946, HIL Limited is a flagship Company of the USD 3 billion CK Birla Group. The Company offers comprehensive home and building material solutions and has achieved market leadership with sustainable, high-quality, and innovative products that meet consumer needs and are future-ready.

HIL has six major brands: Charminar, Charminar Fortune, Birla Aerocon, Birla HIL, Parador, and Topline, the recently acquired Pipes & Fittings brand in Eastern India. The Company has 32 state-of-the-art manufacturing facilities in India, Germany, and Austria.

HIL through its dynamic R&D facilities in India and Germany offers innovative and novel solutions to consumers' ever-evolving needs. A key priority is the development of an environmentally friendly green product portfolio. With a strong emphasis on customer centricity, HIL Limited ensures a widespread reach through an extensive sales and distribution network that spans across India and over 80 countries globally.

Key Strengths:

- **Strong value system and parentage:** HIL is a flagship Company of CK Birla Group, a Company built on a legacy of trust. With over 75 years of rich experience, the Company's products are synonymous with quality and innovation.
- **Established leading brands:** The Company has established leading brands such as Charminar, Birla Aerocon, Parador, and Birla-HIL, which are all well-known and amongst the market leaders in their respective product segments. These brands have received several awards over the years. Additionally, with the acquisition of Topline, HIL has further enhanced its brand strength in pipes and fittings in several key markets.
- **Diverse product portfolio:** HIL is a comprehensive building material solutions provider with products ranging from roofing, walling, flooring, construction chemicals and polymer solutions. The Company's product portfolio is continuously evolving to keep pace with consumer needs and is in strict compliance with regulatory norms.
- **Experienced and committed teams:** One of the Company's key strengths is its committed and dedicated workforce, which drives its success. Being certified as a Great Place to Work in India for six consecutive years is a testament to the pride and sense of belonging among its employees.
- **Manufacturing prowess:** HIL is one of the few home and building materials companies in India with a truly multi-location footprint. The Company operates 30 manufacturing facilities across 13 locations in India and 2 facilities in Europe. Lean Six Sigma practices, Industry 4.0, and business intelligence tools have been implemented across these manufacturing locations, helping to deliver industry-leading efficiencies.
- **Deep sales and distribution network:** HIL has an extensive network of over 40 depots and more than 8,000 stockists and distributors across India. The roofing business enjoys an industry-leading 60% tehsil penetration in the country. Additionally, the flooring business has a strong international presence in over 80 countries around the globe.
- **Innovation and R&D:** HIL is committed to developing and introducing the best quality, sustainable, and eco-friendly products with a focus on meeting customer needs while ensuring business profitability.
- **Governance:** Corporate governance, transparent business practices, and ethical values are the cornerstones of the Company's daily business operations.

Strategic acquisition to drive future growth

In April 2024, HIL acquired Crestia Polytech Private Limited and its four group companies under the brand 'Topline', a renowned brand of Pipes & Fittings in Eastern India. This acquisition marks a significant milestone and is a testament to HIL's commitment to accelerate its fast-growing Pipes & Fittings business.

The acquisition doubles HIL's revenue in the Pipes & Fittings business and enhances production capacity three-fold. The Company gains access to Topline's significant channel presence across 15 states, particularly in the strategically important Eastern region.

This acquisition also enables HIL's entry and expansion into large segments such as high-density polyethylene (HDPE), medium-density polyethylene (MDPE), and water tanks. The Company will nearly double its SKU offerings and gain access to patented technologies such as in Electrofusion fittings and water tanks, positioning it among the top-tier players. Furthermore, this acquisition enhances HIL's presence significantly in government projects and secures Jal Jeevan Mission (JJM) approval across 12 states. HIL will now be able to serve customers in sectors such as Agriculture, Telecom, and Natural Gas.

Product portfolio

With over 75 years of experience, HIL has established market leadership, customer trust and a strong brand recall across its diverse product offerings. A growing product portfolio is helping the Company drive towards its goal of being a USD 1 billion company.



1. Roofing Solutions

Charminar, HIL's flagship brand, is recognised as a market leader and a trusted brand in the Indian roofing segment.

CHARMINAR

Charminar fibre cement sheet is a composite building and construction material used for constructing roofing for industrial buildings, warehouses, sheds and dwellings. It is used for roofing and facade applications. In addition to being strong and durable, Charminar fibre cement sheets are cost-effective and fire-resistant.

CHARMINAR Fortune

It is HIL's breakthrough product that could herald a "green" and "sustainable" future of affordable roofing. It is an eco-friendly, humid cure roofing solution. The product offers features such as asbestos-free composition, low drying shrinkage, sound insulation and excellent dimensional stability.

2. Building Solutions

BIRLA AEROCON

It is the flagship brand of the Company's Building solutions business and offers wet walling and dry walling solutions. The drywalling solution includes boards, jointing compound, and cement sandwich panel while the wet walling solution includes Birla Aerocon AAC blocks (Fly Ash Blocks) and dry mix materials.

The drywalling solution includes pre-cured, high-performance, light-weight, easy-to-install walling options. The wet walling solutions offer a more sustainable and cost-effective alternative to traditional building materials. It contains load-bearing and energy-saving building materials that require curing.

3. Polymer Solutions

BIRLA HIL Pipes

Birla HIL Pipes offers a wide range of plumbing solutions that are eco-friendly, anti-microbial and leakproof are excellent for residential, industrial, agricultural and commercial purposes. The product portfolio includes cPVC, uPVC, column pipes, SWR, foamcore, pressure & UGD pipes & fittings and water tanks.

BIRLA HIL Pipes & Fittings feature unique TrueFit™ technology, offering 100% leak-proof joints and enhancing the value propositions for consumers. The CPVC pipes are an eco-friendly, aesthetic, and lightweight alternative to the commonly used GI pipes, suitable for hot and cold potable water applications in residential, commercial, and industrial settings. Additionally, the UPVC pressure piping systems come

in a variety of diameters and pressure classes, making them an excellent choice for water supply and irrigation.

The Company is expanding its product offerings to include additional SKUs to serve a wider set of customer needs and has recently introduced foam-core pipes. These pipes are multilayer pipes having outer and inner layers of conventional PVC and a middle layer of foamed PVC. These pipes are most suitable for underground drainage systems with their ability to absorb the load effectively and distribute the load more evenly.

TOPLINE

HIL has recently acquired Crestia Polytech Private Limited under the brand 'Topline', a renowned brand in Pipes & Fittings segment in Eastern India. Topline offers a wide range of plumbing and water management solutions for residential, commercial, agricultural and infrastructure segments. The product portfolio includes cPVC, uPVC, HDPE, MDPE, PPR, casing pipes and fittings and water tanks (both roto and blow moulded). Topline is also one of the few players in the country that has a range of electrofusion fittings.

BIRLA HIL Putty

"Birla HIL Putty" is a premium and well recognised brand in the fast-moving putty segment. It is made using advanced 'TRUE COLOUR' technology, which allows for a real reflection of the chosen paint shade. This makes the wall paint dazzle in its original 'just as you choose'. The putty does not require paint priming, making it cost-effective for all painting applications. Several other related products, such as gypsum plaster and waterproof putty, have been added to the product portfolio to cater to increased customer demand. Strategic supply locations in the South and East have been added to help serve customers faster.

BIRLA HIL Construction Chemicals

Birla HIL is one of the fastest-growing construction chemicals brands in the country. HIL constantly strives to set industry benchmarks by consistently delivering state-of-the-art products tailored to meet the diverse needs of modern construction projects. The Company offers an elaborate range of products and solutions in various segments of construction, including tile and stone fixing, waterproofing, protective coatings, dry mix, and repair solutions.

4. Flooring Solutions

PARADOR

Parador is a leading global interior brand with primary operations across Europe. The Brand is known for its design leadership and "Made in Germany" quality as well as for its consistent innovation and industry-

leading approach to sustainability and environmental stewardship. The flooring product portfolio includes engineered wood, laminate, luxury vinyl tiles and eco-friendly non-PVC resilient products. Parador sells in over 80 countries across the world and provides products for both residential and commercial channels.

Renewable energy

In line with HIL's dedication to sustainability and reducing carbon footprint, a significant initiative has been embarked upon to embrace renewable energy sources, particularly wind and solar energy. Through strategic investments and partnerships, the Company is actively transitioning to greener sources of energy while driving operational efficiency and cost savings.

The Company has invested in wind power projects with a total rated capacity of 9.35 MW across Gujarat, Rajasthan, and Tamil Nadu. The energy generated from these projects is partly used for captive consumption at the Company's manufacturing units in Tamil Nadu and Gujarat, with excess generation sold to DISCOMs of the respective states.

By diversifying the energy portfolio with wind and solar power, the Company is decreasing its reliance on fossil fuels and mitigating the environmental impact associated with traditional energy generation sources.

Innovation and R&D

HIL has advanced R&D and design centres in India and Germany which ensure robust product development and innovation. The state-of-the-art infrastructure test facility and in-house pilot plant at the Company's R&D center in Hyderabad have been recognised by the Department of Scientific & Industrial Research (DSIR), Government of India. The facility continuously adopts innovations in processes and researches evolving industry dynamics to maintain a competitive advantage. Sustained technological investments have enabled HIL to achieve efficient production and development of environment-friendly products. The innovation team supports the pursuit of continuous improvement in existing products and also delivers value-added products.

At Parador, there is a commitment to being design-forward, constantly developing new flooring that pushes the boundaries of both, aesthetics and functionality. The flooring products are known for their innovative designs and diverse range of aesthetic options. Each product is engineered and crafted to be highly durable, long-lasting, and features innovative installation systems.

Technology and digitalization

HIL is committed to leveraging technology and digitalization to drive growth and solve business problems. The goal is to digitalise the entire value chain across HIL, enabling the Company to operate with greater efficiency and drive faster, data-driven decision-making.

To streamline its operations, the Company has implemented sensor-based, data capturing and analytics to anticipate

equipment failures, thereby minimising downtime and optimising asset performance. This implementation also enables real-time access to key performance indicators and facilitates sound data-driven decisions

The Company also utilises a digital twin model powered by Artificial Intelligence (AI) and Machine Learning (ML) to further optimise its operations. This model continuously analyses data on raw materials, quality history and other parameters, making recommendations on the best methods to operate and allocate resources, thus allowing the Company to meet its targets.

The Company has implemented strong security measures, driving a 99% uptime for its critical IT services, to ensure availability and operational efficiency. For data privacy, the Company is using Data Loss Prevention (DLP) to protect its information across its workloads. All the workloads of the Company are housed within a Hyper-Converged Infrastructure (HCI), guaranteeing optimal uptime for essential IT services. Additionally, the Company has a proactive vulnerability assessment tool that scans endpoints and networks to ensure security.

The Company has made significant strides in enhancing organisational capabilities and creating a culture conducive to digital innovation. Key initiatives such as establishing the Digital Academy and implementing a knowledge management platform play crucial roles in promoting collaboration, improving digital literacy, and facilitating effective change management across the Company.

Besides digitalising its operations, HIL is leveraging technology to transform other functions such as finance and sales. The latest digital finance tool, Taxation and FP&A (Financial Planning & Analysis) provides a seamless experience for end-to-end GST compliance. It also streamlines invoices and regular communications with vendors. The sales team utilises salesforce automation tools that equip them with critical information, simplifying order-taking processes and thereby enhancing efficiency.

Additionally, the Company is in the process of implementing CRM and loyalty platforms to drive synergies across its businesses resulting in better sales processes, increased lead conversion rates, higher share of the customer wallet and better influencer engagement and loyalty. Throughout this process, customer delight remains central to the approach.

HIL has also embarked on the S/4 HANA migration project, which is a pivotal step in its digital transformation journey. This transition promises real-time insights, streamlined operations, and enhanced competitiveness, reinforcing the Company's commitment to innovation and growth.

Business and financial performance

HIL achieved a net revenue from operations of ₹ 2,230.85 crore as against ₹ 2,155.20 crore in the previous year on a standalone basis, an increase of 3.5% and on a consolidated basis, registered a net revenue from operation of ₹ 3,374.97 crore as against ₹ 3,478.96 crore in the previous year

recording a marginal decline of 3%. During the year under review, HIL registered profit before tax (PBT) of ₹ 95.82 crore before profit from exceptional items, on standalone basis as against ₹ 163.68 crore in the previous year, recording a decline of 41% mainly due to pricing pressure emanating from intensifying competition in all categories and increase in cost of raw material viz. fibre, cement and volatility in resin prices. Profit before tax on a consolidated basis for the financial year 2023-24 stood at ₹ 35.54 crore as against ₹ 116.73 crore in the previous year, recording a decline of 70% due to poor market demand.

On a consolidated basis, the net worth of the Company as of March 31, 2024 stood at ₹ 1253 crore as against ₹ 1244 crore in the previous year. The consolidated earnings per share (basic) for the financial year ended March 31, 2024 stood at ₹ 46.15 per share as against ₹ 129.09 per share for the financial year ended March 31, 2023.

A detailed discussion on financial performance and segment-wise operational performance of the Company for the financial year 2023-24 is included in the Board's Report.

Key financial ratios

Key financial ratio*	FY-2023-24	FY-2022-23	% Change	Comments
Debtors Turnover (Times)	16.49	19.61	(16%)	-
Inventory Turnover (Times)	5.71	6.07	(6%)	-
Debt service coverage ratio (Times)	0.68	1.74	(60.72%)	Reduced profits and increased borrowings have resulted in the increased variance.
Current Ratio (Times)	1.34	1.17	14.53%	-
Debt Equity Ratio (Times)	0.26	0.11	150.11%	The variance is due to increase in the working capital loans and term loans taken by the Company during the year.
Operating Profit Margin (%)	7.82%	10.60%	(26.17%)	The variance is due to increase in employee cost and other expenses.
Net Profit Margin (%)	2.95%	6.04%	(51.16%)	The variance is due to reduced operational profits during the year.
Return on Net Worth (%) / Return on Equity (%)	5.71%	12.13%	(52.96%)	The variance is due to reduced operating profits.
Return on Capital Employed (%)	7.07%	13.70%	(48.41%)	The variance is due to reduced operating profits and increased borrowings.

(All numbers on standalone basis)

*For more details please refer note no. 56 of the standalone financial statements forming part of this Annual Report.

Environment, health and safety

HIL's focus on environmental protection and occupational health and safety is enshrined in its comprehensive EHS Policy, which outlines measures to safeguard employee well-being and cultivate a culture of safety across the organisation. The risk management strategy encompasses a thorough set of management and technical standards for key Environment, Health & Safety (EHS) risk areas across its business.

The EHS systems are being digitalised to report, track, and implement action plans in real time. Current and emerging environmental protection legislation and other areas of concern across the value chain are proactively monitored. HIL strives to achieve 'zero waste to landfill' in its direct operations. An Air Quality Management Standard has been established to define minimum requirements and best management practices, ensuring each applicable facility complies with air

regulations. The Company generates no process wastewater, and all water used in operations is recycled.

The risk management framework is designed to reduce environmental incidents and occupational injuries and illnesses. Over the past year, various initiatives have been implemented to enhance workplace safety, including investments in cutting-edge technology and regular safety training sessions aimed at identifying and mitigating occupational hazards. High-risk areas have been identified, and a wide range of technological solutions and awareness-raising initiatives have been invested in to help protect employees from injuries. For machine safety, virtual design reviews and augmented reality are utilised to perform technical risk assessments, ensuring all physical and safety awareness measures are effectively implemented. Additionally, ergonomic wearables have been introduced

to help reduce posture and ergonomic-related health risks for associates.

HIL prioritises environmental protection through its commitment to sustainability. Various measures have been implemented to reduce the environmental footprint and enhance resource efficiency. These initiatives range from optimising energy usage to minimising waste generation, all with the goal of preserving the planet for future generations.

A unique 'five-way green' philosophy guides the Company in building a greener world. This philosophy focuses on using low carbon footprint raw materials, manufacturing products designed for reuse and recycling, incorporating 30% renewable resources, achieving zero effluents and emissions, and eliminating by-products.

Human resources

HIL firmly believes that talent is central to its strategy, as the quality and dynamism of its human resources enable significant contributions to enhancing stakeholder value. Employee engagement, talent development, and retention are key priorities for achieving organisational goals. The Company provides training across functional skills, behavioural dynamics, and leadership areas to foster a culture of continuous improvement. In FY 24, HIL delivered over **15,780** hours of training.

The work culture promotes openness and transparency, emphasising the highest standards of integrity and ethics. HIL remains committed to the welfare of its people and works hard to retain its position as a 'Great Place to Work'.

HIL's flagship employee engagement initiative, JOSH, enhances collaboration through a variety of engaging programs, including festive celebrations, sports events, healthcare activities, and cultural nights with family events.

These initiatives aim to cultivate a vibrant and supportive work environment. All employee rewards and recognition activities have been consolidated under the umbrella program called "Yashotsav" to acknowledge and incentivise employees across locations.

Furthermore, the Company promotes a cohesive workforce through annual themed initiatives, open communication platforms, and cross-functional programs. The integration of real-time employee feedback using artificial intelligence tools reinforces a culture centered on growth, learning, engagement, and transparency.

As of March 31, 2024, HIL India has a permanent employee strength of 1,839 employees, with a global workforce totalling 476 employees.

Risk management

While pursuing its business objectives, HIL is exposed to various risks. However, the Company has developed organisational agility to anticipate, mitigate, and manage these risks. Several measures have been implemented to assess, identify, and effectively reduce risks that may arise periodically.

HIL has a robust risk management policy approved by the Board. The policy outlines the aims and principles of risk management, as well as an overview of the risk management process, procedures, and associated responsibilities of the Committee members. The Risk Management Committee and the Audit Committee supervise the implementation of the Risk Management Framework. On a half-yearly basis, a formal report on 'Risks that Matter' is reviewed by the Risk Management and Audit Committees of the Board for their review and guidance and subsequently presented to the Board.

Risks	Significance and meaning	Mitigation
Supply Chain Risks	Supply chain disruptions could result in price fluctuation of critical raw materials such as fibre, cement, resin, wood, etc. thereby adversely impacting costs & margins.	HIL has built long-term partnerships with its suppliers, reducing the risk of price fluctuations. The Company has built a global network of suppliers that allows diversification of supply sources and unhindered logistical movement of its inventory.
Macroeconomic Risks	The geopolitical instability and volatility in the global economy, including a distorted supply chain and fluctuation in exchange rates, pose potential risks for the global operations of HIL.	HIL's operations, sales and supply sources are spread across multiple countries and segments, decreasing its reliance on a single country or product. The Company has mapped and developed its extensive vendor base globally to insulate itself from any geopolitical instability.
Financial Risks	HIL is exposed to exchange rate volatility because of its global presence. Currency rate fluctuations could have a detrimental effect on profitability. HIL's international operation and recent acquisition can adversely impact the Company's finances like operating cost, revenue generation and profitability.	HIL enters into forward contracts to hedge foreign exchange risks, thus limiting any negative impact from exchange rate fluctuations. HIL's internal processes are robust to ensure accurate accounting of revenue and costs. HIL has a well-established integration programme in place to ensure a seamless integration of acquisitions into HIL's operations.

Risks	Significance and meaning	Mitigation
Technology Risks	Failure to adopt cutting-edge technology by HIL will undermine its operational efficiency and customer satisfaction, hindering the Company's growth.	HIL's manufacturing facilities are equipped with advanced infrastructure and technologies that ensure the protection of its IT infrastructure and ensure seamless operations. Over the years there has been significant investment in digitalisation / Industry 4.0 deployment at our plants. HIL's digital infrastructure is poised to counter any external cyber security threats and ensure business continuity.
Quality Risks	Failure to maintain product quality and adhere to relevant quality standards may have a damaging effect on HIL's reputation as well as its financial position.	HIL follows strict quality control processes which ensures that only quality certified products are delivered to customers. HIL is accredited by leading industry bodies for its product quality certification processes.
Environment Risks	Increasing focus towards environmental protection also implies that any failure on behalf of HIL towards protecting the environment can hamper its reputation and growth.	HIL has well-managed environmental management programs to address workplace environment as well as environmental impacts. Processes and equipment to optimise energy consumption, a balanced ecological footprint, zero effluents & emissions, have been put in place and there is an increased focus on green product development. HIL has a defined ESG road map in place for all its factories and business operations. The road map is in sync with the Vision and Mission of HIL and budgets with respect to ESG are in place and monitored for timely execution. <i>Details are available in Section B of BRSR.</i>
Climate Change Risk	India's extreme weather conditions, especially heavy rain, can risk HIL's operation, specifically the Company's roofing solution.	All factories in HIL have adequate infrastructure to weather climate change risk. In addition, HIL has developed and established a Business Continuity Plan (BCP) which also encompasses disaster recovery. <i>Details are available in BRSR Principle 2 and Principle 6.</i>
Health and Safety Risks	The workforce contributes extensively to the growth of the Company. Not contributing towards their health and safety can reflect a negative working environment of the Company.	HIL has a well-established EHS framework in place. Processes and equipment to ensure robust safety training and periodical health check-ups of its employees have been established in place. The Company has invested in infrastructure to ensure incident-free working environment and mitigate occupational hazards. <i>Details are available in BRSR, Principle 3.</i>
Human Capital Risk (Talent Management)	Given HIL's market leadership in majority of its products, attrition is a key risk. Competition and other local companies are keen to hire HIL resources.	<ul style="list-style-type: none"> ▶ HIL has continuously been awarded GPTW 6th Year in a row and is key employer of choice in its segments ▶ HIL has not only filled up all key senior leadership positions but also introduced succession planning, leadership training and individual development plan for its employees. ▶ Apart from tying up with top ranking educational institutions for scaling up skills of its employees, HIL has also embarked on employee engagement programs and brand building initiatives to curtail attrition and ensure retention of its top performing resources.

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 Khetrapal (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,

- 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 Bhumalkar (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.

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.

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 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 Khetrapal	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:

- 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.
- 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.
- 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.
- As on March 31, 2024, none of the Independent Directors hold stock options or shares of the Company.
- 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.
- 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.
- Mr. VV Ranganathan, member of the Stakeholders' Relationship Committee was present at 76th Annual General Meeting of the Company held on July 31, 2023.
- 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.
- 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

- c. 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:

- i. 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	-

- ii. 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	-

- d. 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:

- i. 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	-

- ii. 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	-

- iii. 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:

- a. 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.

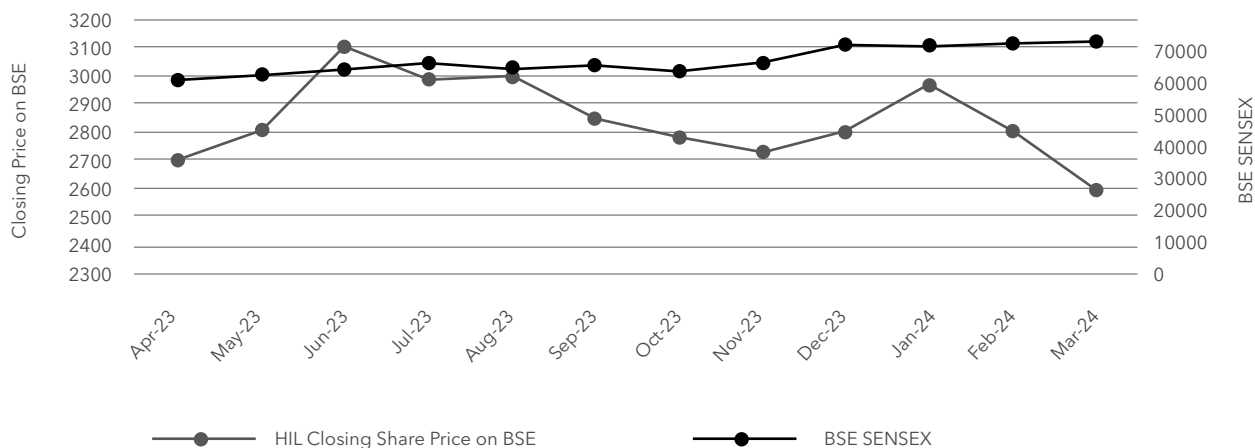
Market price of the Company's shares at BSE Limited and National Stock Exchange of India Limited:

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

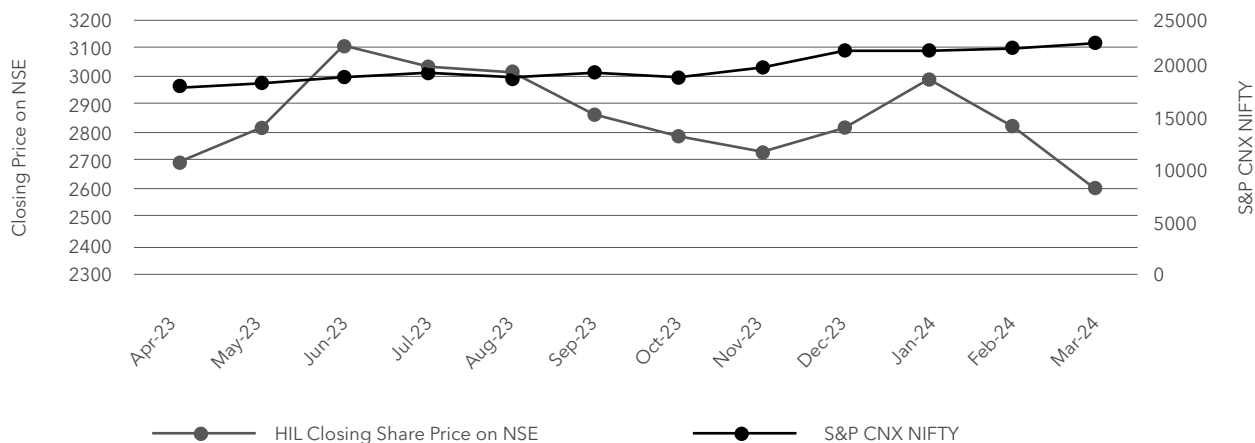
Performance in comparison to BSE Sensex and S&P Nifty 50:

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-iepf/>.

(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.

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.

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,

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

Place: New Delhi
Date: May 7, 2024

CK Birla
Chairman
DIN: 00118473

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 Khetrapal	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

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

S. No.	Particulars	
1.	Corporate Identity Number (CIN) of the listed entity	L74999TG1955PLC000656
2.	Name of the listed entity	HIL Limited
3.	Year of incorporation	1955
4.	Registered office address	Office No. 1 & 2, L7 Floor, SLN Terminus, Survey No. 133, Near Botanical Gardens, Gachibowli, Hyderabad-500032, Telangana, India
5.	Corporate office address	6 th Floor, Birla Tower, 25, Barakhamba Road, New Delhi - 110 001
6.	E-mail address	cs@hil.in
7.	Telephone no.	040-68249000
8.	Website	www.hil.in
9.	Financial year for which reporting is being done	April 1, 2023 to March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited (NSE)
11.	Paid-up capital	₹ 754.09 Lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ajay Kapadia Chief Financial Officer Phone: 040-68249000 E-mail: ajay.kapadia@hil.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis
14.	Name of assurance provider	Not applicable
15.	Type of assurance obtained	Not applicable

II. Products/Services:

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% Turnover of the entity
1.	Roofing Solutions	Manufacture and sale of Fiber Cement Humid Cure Roofing Sheets	51.42%
2.	Building Solutions	Manufacture and sale of Autoclaved Aerated Concrete Blocks (Fly Ash Blocks), Fiber Cement Board and Panels.	24.44%
3.	Polymer Solutions	Manufacture and sale of a wide range of plumbing solutions, including CPVC, UPVC, Column Pipes, SWR and Pressure Pipes and Fittings ideal for household, industrial, and commercial applications; and Wall Care Putty.	24.00%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Products/Services	NIC Code	% of total turnover contributed
1.	Fibre Cement Sheets and Panels	23953	61.26%
2.	UPVC and CPVC Pipes and Fittings	22209	15.35%
3.	Putty and Dry Mix	23949	6.83%
4.	Fly Ash Blocks	23954	14.36%

III. Operations:**18. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	24 plants (at 12 manufacturing locations)	6 Regional offices and 41 sales depots	71
International		NIL	

Each manufacturing location has administrative offices within the plant and is not included in the number of offices.

19. Markets served by the entity:**a. Number of locations:**

Locations	Number
National (No. of States)	27 States and 7 Union Territories
International (No. of Countries)	2 - Nepal and Sri Lanka

b. What is the contribution of exports as a percentage of the total turnover of the entity: 0.52%**c. A brief on types of customers**

HIL's customers encompass individuals and organizations procuring materials for the construction, repair, or renovation of residential, commercial, and institutional infrastructure and real estate developments. They are serviced through a network of dealers and distributors as well as directly and hence they comprise the Company's downstream value chain customers. Additionally, the end customers would also include infrastructure companies (EPC), builders, and contractors. HIL also partners with construction professionals like architects, interior designers, MEP, and PMC consultants who either directly purchase or influence the purchase of HIL's products and solutions.

IV. Employees:**20. Details as of the end of the Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1,199	1,143	95.33%	56	4.67%
2.	Other than Permanent (E)	45	43	95.56%	2	4.44%
3.	Total employees (D + E)	1,244	1,186	95.34%	58	4.66%
WORKERS						
4.	Permanent (F)	640	640	100%	-	NA
5.	Other than Permanent (G)	4,263	4,223	99.06%	40	0.94%
6.	Total workers (F + G)	4,903	4,863	99.18%	40	0.82%

1. All managerial cadre personnel have been considered as 'Permanent Employees'.
2. Fixed term contracts personnel (Direct and through 3rd parties) are categorized as 'Other than Permanent Employees'.
3. All associates and non-management employees at plants have been considered as permanent workers.
4. All contract workers have been considered as other than permanent workers.

b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100%	-	NA
2.	Other than Permanent (E)	-	-	-	-	NA
3.	Total employees (D + E)	1	1	100%	-	NA
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	NA	-	NA
5.	Other than Permanent (G)	-	-	NA	-	NA
6.	Total workers (F + G)	-	-	NA	-	NA

21. Participation/Inclusion/Representation of women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17%
Key Managerial Personnel*	3	1	33%

*Including Managing Director & CEO

22. Turnover rate for permanent employees and workers

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21%	21%	21%	25%	49%	26%	19%	28%	19%
Permanent Workers	7%	-	7%	7%	-	7%	5%	-	5%

Figures have been rounded off to zero decimals

V. Holding, Subsidiary, and Associate Companies (including joint ventures):

23. Names of holding/subsidiary / associate companies / joint ventures

S. No.	Name of the holding/subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by the listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	HIL International GmbH, Germany	Wholly Owned Subsidiary	100%	No. However, certain business responsibility initiatives related to ethics, transparency, accountability, the sustainable use of resources, and the well-being of employees have been adopted by the Company's subsidiaries.
2.	Parador Holdings GmbH, Germany	Step Down Subsidiary	100% held by HIL International GmbH, Germany	
3.	Parador GmbH, Germany	Step Down Subsidiary	100% held by Parador Holdings GmbH, Germany	
4.	Parador Parkettwerke GmbH, Austria	Step Down Subsidiary	100% held by Parador GmbH, Germany	
5.	Parador UK Limited	Step Down Subsidiary	100% held by Parador GmbH, Germany	
6.	Parador (Shanghai) Trading Co. Ltd., China	Joint Venture	50%	
7.	Supercor Industries Limited, Nigeria	Joint Venture	33%	

VI. CSR Details:

24. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes

(ii) Turnover (in ₹): 2,230.85 crore

(iii) Net worth (in ₹): 1,190.76 crore

VII. Transparency and Disclosures Compliances:

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom the complaint is received	Grievance redressal mechanism in place (Yes/No) (If yes, then provide web-link for the grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes. Refer to Principle 8, Essential Indicator 3 for details.	Nil	-	NA	Nil	-	NA
Investors (other than shareholders)	Yes*	Nil	-	NA	Nil	-	NA
Shareholders	Yes*	Nil	-	NA	Nil	-	NA
Employees and Workers	Yes**	2	-	Timely resolution of complaints	Nil	-	NA
Customers (Dealers and Distributors)	Yes. Complaints are received through DIMS portal and investigation is conducted with an on-site visit. Valid complaints are resolved within 15 days of authentication.	658	9	Complaints include Manufacturing defects, application, or transit and packing. The balance will be resolved in due course	547	-	All complaints were resolved
Value Chain Partners	Yes*	1	-	Received through the whistleblower mechanism.	Nil	-	NA

* <https://hil.in/investor-relations/investor-grievance/>

** <https://hil.in/wp-content/uploads/2019/07/HIL-WHISTLE-BLOWER-POLICY-REVISED-19-03-19.pdf>

+ HIL actively engages with its suppliers to address any operational issues as they arise, additionally, every spend category has defined grievance and escalation mechanisms which are mentioned in the purchase order.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water Management	Risk	Water is a key component for some of HIL's product categories. Industrial water usage is regulated by environmental compliance	HIL has focused on the reduction of water consumption in its processes as well as promoting water recycling. It has also installed water flow	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
	(Efficiency, Recycle & Reuse)		and fresh water comes at a cost. From a water stress region perspective, HIL's Faridabad plant is in the "Over-Exploited" category while the Thimmapur plant is in the "Semi-Critical" category. Prudent water management is also crucial for ensuring healthy relationships with the communities in which HIL operates and is a focus area for the Company.	<p>meters with a telemetry system to monitor water usage. The Company has also added advanced STP units to minimize freshwater usage for maintaining its green belt. To recharge groundwater levels the Company has upgraded its rainwater harvesting, dug additional groundwater recharge wells, and created stormwater ponds. The positive impacts of these initiatives will reflect in our subsequent disclosures.</p> <p><i>For data, please refer Principle 6, Essential Indicator 3, 4 & Leadership Indicator 1, and technology improvements in Principle 6, Essential Indicator 5, and Leadership Indicator 4.</i></p>	
2	Waste Management & Circular Economy	Risk and Opportunity	<p>(Risk) Poor waste management practices lead to compliance/regulatory risks as well as cause pollution, health risks, etc to HIL's communities. From a regulatory perspective, there is an increased focus beyond hazardous waste for example the EPR Rules. Non-compliance could lead to regulatory and legal implications.</p> <p>(Opportunity) HIL uses the waste from other industries for its manufacturing processes which helps improve the Company's environmental impact. Additionally, waste minimization improves resource efficiency while waste management process improvements positively impact margins.</p>	<p>HIL has implemented robust waste management processes to ensure appropriate storage and disposal of waste as per regulatory norms for both hazardous and non-hazardous waste. Waste disposal is handled by authorized recyclers and disposal vendors. The Company actively recycles dry waste within its manufacturing operations while maintaining quality norms. The Company is increasing its focus on identifying opportunities to leverage the 3R's principles of waste management. The Company also works with its vendors to minimize packaging material in raw materials, while also complying with the EPR regulations. In the last two years there has been a progressively increased focus on housekeeping leading to identification and disposal of stored waste. The Company will benefit from these efforts in subsequent periods.</p> <p><i>For details, please refer Principle 6 Essential Indicator 10 and Principle 2, Essential Indicator 4, and for data Principle 2, Leadership Indicator 3, and Principle 6, Essential Indicator 9.</i></p>	Negative/ Positive
3	GHG emissions	Risk and Opportunity	<p>(Risk) Energy-intensive manufacturing processes, material sourcing, transportation, etc contribute to HIL's operational carbon footprint. Potential regulations on GHG emissions are anticipated which would impact the Company and the dynamics of its target markets.</p> <p>(Opportunity) - Green Buildings and reducing the impact of building materials on GHG emissions during the O&M phase are significant industry trends. This aspect is of increasing importance to multiple stakeholders including customers, investors, and regulators.</p>	<p>HIL is focused on being "future-ready" and strategically addresses the risk posed by climate change and greenhouse gas (GHG) emissions. The Company is taking targeted measures which include a comprehensive review of energy-intensive manufacturing processes and environmentally friendly material sourcing practices. Anticipating potential regulatory changes related to GHG emissions, the Company intends to proactively adjust its operational strategies to align with emerging requirements, thereby mitigating regulatory risks and ensuring resilience in addressing its target markets. This approach would also enable the Company to reduce the carbon footprint for its products and expand its green product certifications to help its customers achieve LEED and other green building certifications.</p> <p><i>For details, please refer Principle 6, Essential Indicator 8, Leadership Indicator 4, and for data Principle 6, Essential Indicator 7.</i></p>	Negative/ Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Energy Management and Renewable Energy	Risk and Opportunity	<p>(Risk): Rising energy costs, coupled with increasing government ambitions towards renewable energy necessitate a proactive approach. Failure to implement effective energy management strategies could result in adverse financial impact, compliance issues, and reputational damage.</p> <p>(Opportunity): Optimizing energy usage through energy-efficient measures reduces operational costs. Embracing renewable energy sources and innovative technologies mitigates long-term risks associated with energy volatility and regulatory changes.</p>	<p>HIL actively implements energy-saving measures, such as installing energy-efficient equipment and modern lighting systems across its plants. The Company has invested in wind and solar energy installations at select plant locations and will be evaluating opportunities to increase its renewable energy assets. Current and future investments in energy conservation equipment besides optimized designs and operational improvements, underscore the Company's dedication to sustainable operations. Increased Capex as detailed in Principle 2 Essential Indicator 1 would lead to an improved energy performance in subsequent periods.</p> <p><i>For details, please refer Annexure VI - Conservation of Energy of Board's Report, Principle 6 Leadership Indicator 4, and for data Principle 6 Essential Indicator 1.</i></p>	Negative/ Positive
5	Innovation for Sustainable products	Opportunity	<p>Innovation for sustainable products is propelled by escalating consumer demand for environmentally friendly alternatives. Product differentiation in this aspect provides a competitive edge. Maintaining reputation as a sustainability-focused organization enhances brand value and trust. Engaging in sustainability-driven innovation fosters opportunities for revenue growth from non-asbestos products.</p>	<p>HIL invests in R&D through a dedicated team with the required infrastructure to deliver positive innovation outcomes. The Company actively partners with research institutes to co-create products aimed at minimizing their environmental impacts. HIL prioritizes innovation to design and manufacture environmentally friendly solutions, aligning with its commitment to sustainability. The objective is to strengthen its competitive edge, build trust as a sustainability-focused brand, and create revenue opportunities, especially with non-asbestos products.</p> <p><i>For details, please refer Annexure VI - Technology absorption of Board's Report.</i></p>	Positive
6	Sustainable Supply Chain	Risk and Opportunity	<p>(Risk) As a manufacturing organization, ensuring availability and quality of raw material is critical to the HIL's business performance and resilience. Additionally, its value chain can be a source of commodity price shocks besides reputational risk due to the environmental and social practices of its suppliers. A lack of accountability within a firm's suppliers could lead to reputational damage and regulatory scrutiny.</p> <p>(Opportunity) Understanding and addressing supply chain risks helps HIL build a more resilient business and implementing sustainable practices throughout the value chain can help reduce its overall environmental footprint and improve social impact.</p>	<p>Proactive engagement with suppliers helps HIL to build long-term partnerships and resilience in the supply chain. A significant number of its suppliers are also large enterprises with well-established sustainability practices. The Company is expanding the role of ESG criteria in its supplier selection. The Company works closely with suppliers in key product categories to ensure regular supply and implement improvements in its processes based on feedback. This collaborative approach reduces operational risks, builds a cost advantage, and enhances overall business resilience. The Company communicates its sustainability initiatives to vendors and encourages them to follow suit.</p> <p><i>For details on Sustainable Sourcing, please refer to Principle 2, Essential Indicator 2.</i></p>	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Occupational Health & Safety	Risk	Safety incidents, ambient environment, and working conditions pose risks to regulatory compliance, reputation, and business continuity. Non-compliance may lead to penalties and legal issues, impacting finances and reputation. Loss of stakeholder trust could affect market share and talent retention while operational disruptions may impact revenue and customer satisfaction. Addressing these risks is crucial for employee well-being and sustaining business performance.	HIL's management approach to risk encompasses comprehensive standards for key EHS areas, focusing on employee safety. These include ongoing hazard identification and risk assessments through routine and spot safety checks and safety training. Through the identification of high-risk areas, investment in technological solutions, and awareness initiatives, the Company ensures a proactive stance toward injury prevention. Additionally, its investments in digitalising EHS systems facilitate real-time reporting, tracking, and implementation of action plans. <i>For details, please refer Principle 3, Essential Indicators 10-15.</i>	Negative
8	Product Safety	Risk	Product safety concerns may impact the Company's ability to continue to generate value for its customers. Workers engaged in installation, maintenance, and repair, as well as building occupants face associated risks. Compliance with asbestos regulations governing its use, handling, and disposal adds complexity and any product liability risks stemming from failures and disposal require meticulous management.	The Company has adopted a harm-free manufacturing process, eliminating dry asbestos use to ensure worker and end-user safety. Clear communication of safe handling and disposal instructions mitigates risks across the product lifecycle. HIL has obtained relevant certifications and adheres to industry standards to ensure safety and compliance. Regular audits validate its risk mitigation, providing stakeholder assurance. Additionally, HIL is exploring measures to phase out asbestos, prioritizing safer alternatives to align with evolving market and regulatory trends toward environmental sustainability.	Negative
9	Digitalisation	Opportunity	Digital Technology delivers significant value by enhancing operational efficiency while also improving stakeholder experience. Transforming HIL to be a 'Digitally Native' organization is crucial to building a future-ready organization.	HIL has developed its Digital & Technology strategy roadmap aligned with the Company's objectives on research and innovation. HIL has implemented digital solutions and analytics across key value chain operations including sales and marketing, operations, HR, finance, supply chain, etc. HIL continues to invest in its digital infrastructure and knowledge management besides launching a Digital Academy to build and nurture digital expertise. <i>For details, please refer the section on Digitalisation of the MD&A.</i>	Positive
10	Human Capital	Opportunity	Investing in human capital development through engagement, learning, and development and a focus on career development improves productivity, teamwork, and innovation. Engaged and skilled employees contribute positively to organizational resilience and adaptability in dynamic market conditions. Moreover, prioritizing employee well-being and professional growth strengthens brand reputation, and stakeholder trust helps to attract and retain talent while grooming business leaders.	HIL's vision is to be an employer of choice and HIL invests significantly in ensuring active employee engagement with a focus on learning and development and career progression through mentorship. The Company has active top-down and bottom-up communication channels with initiatives like the CHRO Hub and Parichay to ensure interaction with the leadership. The Company continues to invest in mentorship coaching, and higher education support. To groom leaders for the future, the Company invests in a variety of initiatives like the CXO transition lab, succession planning assessment centres, and Leadership Development Programs. <i>For details, please refer the Human Resources section of the MD&A.</i>	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Diversity and Equal Opportunity	Opportunity	Diversity and equal opportunity offer a significant advantage. By fostering an inclusive workforce, the Company accesses a wider talent pool, promoting creativity and collaboration. This can enhance HIL's reputation as a socially responsible corporation, while also improving its understanding of diverse customer preferences worldwide. Furthermore, prioritizing diversity aligns with global corporate social responsibility trends, boosting the Company's competitiveness and making it a preferred partner for customers and stakeholders.	Diversity and Inclusion (D&I) is one of the major thrusts of HIL as laid out in its vision statement. The Company's efforts are led by the Executive Leadership and HR, supported by expert inputs from external partners. The Company has an exemplary record with POSH which is due to its focus on gender sensitivity, POSH training for the entire workforce and a robust grievance management system. The Company's emphasis is to nurture women leaders, creating an inclusive hiring and talent pipeline while designing supportive policies to ensure flexibility in the workplace. HIL conducts FGDs and leadership interactions to understand needs and challenges while providing mentorship interventions to support career development.	Positive
12	Labour Relations	Risk	Effective management of labour relations is essential for HIL to maintain operational continuity and foster positive stakeholder relationships. The nature of the Company's operations due to seasonality and the skills required, necessitates a significant contractual workforce. Issues including wage disputes, working conditions, freedom of association, etc could potentially lead to work disruptions, decreased productivity, compliance issues, or legal liabilities.	HIL has a specialised industrial relations function aligned with its human capital management strategy. To mitigate labour relations risks, the Company has strong governance and policy frameworks in place to monitor and ensure adherence to statutory and regulatory requirements, human rights laws, Health and Safety, working conditions, and grievance procedures. The Company has appropriate checks and balances and active monitoring of its contractual workforce partners. The Company focuses on proactive management, maintaining open communication channels, and addressing issues. Ensuring operational continuity and a productive work environment. <i>For details, please refer Principle 3 and Principle 5.</i>	Negative
13	CSR	Opportunity	Through targeted CSR initiatives, HIL has identified key social challenges it wants to address and promote inclusive growth in India. These initiatives not only benefit underprivileged communities but also strengthen the Company's relationship with stakeholders, fostering a symbiotic partnership for social and economic development. By aligning CSR efforts with societal needs and regulations, HIL demonstrates its dedication to creating positive social impact and building a thriving, sustainable society.	HIL's CSR strategy is to create a sustainable, community-driven model, that will have a positive and lasting social, economic, and environmental impact by focusing on the specific needs of vulnerable and marginalized communities. This includes individuals who are unable to realize their rights or enjoy opportunities due to adverse physical, mental, social, economic, cultural, political, geographic, or health circumstances. <i>For details on CSR initiatives please refer Principle 8, Leadership Indicator 6.</i>	Positive
14	Corporate Governance and Risk Management	Risk	As a listed entity, HIL is expected to comply with all the statutory laws and regulations applicable to the Company. Ensuring a focus on business ethics, and strong checks and balances on financial and non-financial aspects is an integral part of the Company's approach. This has to be balanced with an effective risk management process to address operational challenges and plan for unexpected contingencies to ensure resilience. Financial risks, commodity price fluctuations, supply chain disruptions, macroeconomic and geopolitical uncertainties, and ESG risks need to be understood and addressed.	HIL employs a comprehensive strategy to mitigate risks across various fronts, which involves long-term global supplier partnerships and operational diversification, forward contracts, continuous investment in advanced technology, strict quality control processes, and industry accreditation, along with a well-managed EHS program which helps to sustain growth and value creation. <i>For details on other Key Risks, please refer the section on Risk Management of the MD&A.</i>	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has updated and adopted nine areas of Business Responsibility. These are briefly as under:

P1 - Ethics, Transparency & Accountability	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
P2 - Product Lifecycle Sustainability	Businesses should provide goods and services in a manner that are safe and contribute to sustainability throughout their life cycle
P3 - Employee Well Being	Businesses should respect and promote the wellbeing of all employees
P4 - Stakeholder Engagement	Businesses should respect the interests of, and be responsive toward all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized
P5 - Human Rights	Businesses should respect and promote human rights
P6 - Preservation of Environment	Businesses should respect, protect, and make efforts to restore the environment
P7 - Responsible Advocacy	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8 - Inclusive Growth & Equitable Development	Businesses should support inclusive growth and equitable development
P9 - Customer Value	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether the entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes, refer Note 1	No, refer Note 2	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	No ⁺	No ⁺	Yes	No ⁺	No ⁺		Yes	No ⁺
c. Weblink of the Policies, if available	*	**	-	#	##	-		#	**
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes Refer Note 3		No	No	Yes Refer Note 3			No	Yes Refer Note 3
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the entity and mapped to each principle	<ul style="list-style-type: none"> ▶ P2 and P9: ISO 9001 ▶ P6 and P3: IS-15778:2007, IS-13592:2013, IS-4983:2000 (Faridabad, Golan & Thimmapur) ▶ P6 and P3: IS-7834: Part-1:1987, IS-14735:1999 (Golan), IS-14871:2000 (Kondapalli) ▶ P6 and P3: IS-2185: Part-3:1983 (Thimmapur, Chennai, Jhajjar, Golan) ▶ P6 and P3: IS-459:1992 (Kondapalli, Faridabad, Sathariya, Wada, Jasidih, Balasore) ▶ P3 and P5: Great Places to Work Certified - April 2023 to April 2024 ▶ P2 and P6: GreenPro Award for Birla HIL CPVC Pipes- 2023-25 ▶ P2 and P6: GRIHA Certified Birla Aerocon AAC Blocks and Panels ▶ P9: ISO 27001-2013 								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any	<p>Environmental</p> <ul style="list-style-type: none"> ▶ Determine a baseline for target setting on environmental impacts by FY2025 - GHG and air emissions, energy, water and waste ▶ Improve energy efficiency, re-mix and reduce GHG emissions ▶ Implement and stabilize ZLD processes across all plants by FY2025 ▶ ISO 14001 at all plant locations by FY2027 <p>Social</p> <ul style="list-style-type: none"> ▶ LTIFR <1, Zero fatality Year-On-Year ▶ ISO 45001 at all plant locations by FY2027 ▶ D&I roadmap at HIL to be finalized by FY2025 ▶ GPTW Rank: Continue to be in the Top 50 in India ▶ 2 average learning person-days per employee in FY2025 <p>Governance</p> <ul style="list-style-type: none"> ▶ 100% training on the Code of Conduct, Human Rights and POSH ▶ Zero environmental and labour non-compliances ▶ Transform HIL into a 'Digital Native' Organization 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	<p>Environmental</p> <ul style="list-style-type: none"> ▶ Improvement in the share of renewable energy in total energy consumption driven by the use of biomass ▶ Improvements in Zero Liquid Discharge: Please refer to Principle 6, Essential Indicator 5 ▶ Six roofing product plants identified for ISO 14001 and preparation is underway for certification in FY2025 ▶ 2 new plants have been included in the scope which are at the initial phase of operational stability which has impacted energy and emissions intensity <p>Social</p> <ul style="list-style-type: none"> ▶ 29,000 hours of safety training, no major/serious accidents were reported ▶ GPTW Rank 27 for FY2023-24 ▶ Implemented new policies (mentorship, work-life balance, etc.) and structured feedback mechanisms to support gender diversity at HIL ▶ 1.72 average learning person-days per employee achieved ▶ Product Portfolio with Green Certification expanded to include Charminar Fortune and CPVC pipes & fittings <p>Governance</p> <ul style="list-style-type: none"> ▶ 100% training on the Code of Conduct and POSH ▶ No non-compliances on environment or labour laws have been notified to HIL. 								

Note 1: EHS and Quality Policy have clauses that cover key aspects of product safety throughout the life cycle.

Note 2: The Company is a member of various industry associations and trade unions as disclosed in Principle 7, Essential Indicator 1. However, currently, the Company doesn't engage in public policy advocacy and therefore, there is no need for a policy.

Note 3: The Company ensures that the value chain partners are aware of the Company's Codes and Policies. Elements of Principles 1, 5, and 9 are included in the contracts. Principles 2, 3, and 5 form a part of HIL's supplier engagement. A significant proportion of HIL's procurement is with suppliers who have implemented robust ESG-focused systems.

*<https://hil.in/wp-content/uploads/2022/09/Code-of-Conduct-board-senior-management.pdf> and <https://hil.in/wp-content/uploads/2019/07/HIL-WHISTLE-BLOWER-POLICY-REVISED-19-03-19.pdf>

** <https://hil.in/wp-content/uploads/2024/03/Quality-Policy.pdf>.

+ These policies have been approved by the MD & CEO.

<https://hil.in/wp-content/uploads/2023/06/HIL-Corporate-Social-Responsibility-Policy-1.pdf>

<https://hil.in/wp-content/uploads/2020/05/Human-Rights-Policy-Ver-1.0.pdf>

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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Governance, leadership, and oversight

7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

HIL is committed to accelerating its ESG journey which not only aligns to the global expectations but also serves as a catalyst for our long-term success and resilience in the face of evolving market dynamics. We have a proud legacy of pioneering positive change, not just within the industry but in the communities where we operate as well, and our commitment remains steadfast. We continue to seek agile ways for this transition, through continuous innovation, and investments in research, technological interventions, and partnerships. The ESG targets undertaken reflect our cognizance of the urgency of the decarbonisation journey to meet the evolving stakeholder expectations. I encourage you to read our BRSR to gain a comprehensive understanding of the progress we have made.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Mr. Akshat Seth, Managing Director & CEO is responsible for the implementation and oversight of the business responsibility policies.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

The Managing Director and CEO along with the executive leadership team are collectively and individually responsible for decision-making and performance on sustainability issues. They drive and monitor the overall performance and periodically inform the Board on ESG matters. The overall performance is assessed at least once in a year by the Board.

10. Details of review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)																	
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9									
Performance against above policies and follow up action										Managing Director & CEO									Half-yearly								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances										Managing Director & CEO									Half-yearly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)							No		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	Yes, refer Note 2 of answer to question (1)	NA	NA
The entity does not have the financial or human and technical resources available for the task (Yes/No)							No		
It is planned to be done in the next financial year (Yes/No)							No		
Any other reason (please specify)							No		

SECTION C:

PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT, AND ACCOUNTABLE

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in the respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	The Board of Directors and Key Managerial Personnel (KMPs) have attended 20 familiarization programs during the Board meetings and other Committee meetings	The familiarization and other training programs are aligned with the responsibilities of the Board, SEBI Listing Regulations and all the relevant BRSR Principles. The details are available at https://hil.in/wp-content/uploads/2024/04/Familiarization-Program-for-IDs-dt-31032024_26042024.pdf	100%
Employees other than BoD and KMPs	409	<ul style="list-style-type: none"> ▶ Principle 1 ▶ Principle 3 ▶ Principle 5 ▶ Principle 8 ▶ Principle 9 	92.33%
Workers (Permanent)	101	<ul style="list-style-type: none"> ▶ Principle 1 ▶ Principle 3 ▶ Principle 5 ▶ Principle 9 	58%

*Coverage of Principle 3 (Upskilling and Health and Safety) training for other than permanent workers is available in Principle 3 Essential Indicator 8.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

HIL periodically evaluates the regulatory compliance risks pertaining to its business and takes necessary actions to mitigate such risks. Its commitment to regulatory compliance is reaffirmed by the online compliance tool 'Legatrix'. The tool links statutory compliances to each area of corporate activity and is managed by the Company's Legal Head. No Regulatory Authority or Courts issued or imposed any order or penalty on the Company that could have a negative impact on its future operations.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

No regulatory authority or courts have issued or imposed any order or penalties on the Company. Hence, not applicable.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The policy related to the prevention of bribery and corruption is embedded in HIL's Codes of Conduct for Employees, Directors, and Senior Management. It is also a part of the Whistle Blower Policy and other HR policies and practices. The required steps to ensure easy and objective reporting of incidents are outlined in the Whistle Blower policy. All complaints received from whistle-blowers are placed before the Audit Committee and the Board of Directors every quarter.

The Company ensures that the stakeholders are aware of and understand the whistle blower mechanism and Code of Conduct to ensure effective implementation. The relevant policies can be accessed at HIL's website under <https://hil.in/wp-content/uploads/2022/09/Code-of-Conduct-board-senior-management.pdf> and <https://hil.in/wp-content/uploads/2019/07/HIL-WHISTLE-BLOWER-POLICY-REVISED-19-03-19.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of conflict of interest of the KMPs	Nil		Nil	

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	45*	44*

*Days accounts payables have been calculated based on goods and services procured and will differ from the value in the Notes to the Standalone Financial Statements, Section 56, Ratios.

9. Openness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases (Procurement)	a. Purchases from trading houses as % of total purchases	3.33%	5.12%
	b. Number of trading houses where purchases are made from	22	71
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	85.94%	72.04%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	54.14%	54.89%
	b. Number of dealers/distributors to whom sales are made	2,989	2,787
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/ distributors	10.29%	10.02%
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	0.67%*	0.65%*
	b. Sales (Sales to related parties/ Total Sales)	0.06%*	0.08%*
	c. Loans & advances	100%*	Nil
	d. Investments (Investments in related parties/ Total Investments made)	Nil	Nil

*Both goods and services purchased from and sold to Related Parties have been considered.

*Loan given to wholly owned subsidiary HIL International GmbH, Germany amounting to ₹ 3,641.30 lakh.

Leadership Indicators:**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by the value of business done with such partners) under the awareness programmes
3,016 (Influencer Meetings with 72,779 participants in total)	Installation, Product Video, Technical Datasheet, Commercial Policy and Product Certifications (including Green certifications)	Not direct customers and hence cannot be calculated
20 (Retailer Meetings with 1,909 participants in total)	Installation, Product Video, Technical Datasheet, Commercial Policy and Product Certifications (including Green certifications)	Not direct customers and hence cannot be calculated

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, HIL has stringent processes in place to manage conflicts of interest among Board Members and Senior Management. Every Director of the Company discloses his/her concern or interest in the Company, or companies or bodies corporate or firms or other association of individuals and any change therein, annually or upon any change, which also includes the shareholding. Further, a declaration is also taken annually from the Directors (as per the Code of Conduct) confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company.

The Corporate Secretarial team maintains a database of the Directors and the entities in which they are interested. This helps in identifying and tracking conflicts of interest involving the Directors and KMPs of the Company. This list is shared with the finance department which flags off any conflict of interest.

The senior management also annually affirm that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at large. During Board Meetings, the concerned Directors abstain from participating in the items in which they are concerned or interested.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE:

Essential Indicators:**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	54%*	Not available	Reduction in usage of asbestos, products for supporting Green buildings, Green Product certifications, enhancements to improve waterproofing and durability
Capex	17%	3%	Improvements* in Health and Safety equipment and safeguards, Investments to improve Ambient Air Quality, Dust Collection, Sewage Treatment, and Rainwater Recharging systems.

Note: By design, the capex in Plant and Machinery factors energy efficiency, safety, and ergonomics for new equipment. For the calculations, figures for FY2023 have been regrouped, corrected, and updated wherever necessary.

*R&D expenses are not tracked project-wise, since resources are shared across projects for each SBU. The figure is based on the %age of projects with specific improvements in Environmental and Social Impacts. This figure is estimated for FY 2023-24 and is not available for FY 2022-23.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) : No

HIL continues to invest in building its supplier base domestically for supply chain resilience, sustainable development and reducing its logistics carbon footprint. The Company has identified its critical raw materials (cement, resin, and chrysolite) and has established appropriate engagement mechanisms to ensure sustainable practices. The Company's suppliers are large entities with established sustainability practices and it will be partnering with them on further improvements.

b. If yes, what percentage of inputs were sourced sustainably?

At a minimum, ~10% (by value) of our raw material is recycled and reused waste from other industries as detailed in Principle 2 Leadership Indicator 3.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste, and (d) other waste.

HIL appreciates the importance of end-of-life management for its products. Presently, the safe recovery of items for reuse, recycling, and disposal at the end of their life does not fall within the Company's direct control or responsibility.

For details on post-consumer plastic waste, including packaging materials, please refer to Principle 2, Essential Indicator 4 below. The Company's products do not fall under E-Waste at end-of-life. Plastic and E-Waste during the Company's operations are disposed of as per Waste Management Rules as detailed in *Principle 6, Essential Indicators 9 and 10*.

There is no hazardous waste generated at the end-of-life of any of the Company's products and as they have a significantly large lifespan, they are disposed of, as Construction and Demolition waste at the end of life. Details on market-returned asbestos sheets and their handling are detailed in *Principle 6 Essential Indicator 10*.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. HIL has received the EPR registration, both as an importer and brand owner for plastics (E-Waste is not applicable). The Company has a minimum plastic recycling target of ~68 tons of CAT-1 and ~187 tons of CAT-2 for FY 2023-24.

Leadership Indicators:

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format?

NIC Code	Name of the Product/ Service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
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HIL has not conducted an independent LCA for any of its key products during the financial year 2023-24. Aspects of LCA (cradle-to-gate) are covered in HIL's GreenPro and GRIHA certifications

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same:

Name of Product / Service	Description of the risk/concern	Action Taken
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The use of Asbestos in manufacturing has well-defined environmental risks and requirements which are addressed through appropriate certifications and actions as discussed in Section A, Q26 - Product Safety

3. Percentage of recycled or reused input material to total material (by value) used in production (for the manufacturing industry) or providing services (for service industry):

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Flyash	4.52%	4.32%
Pondash	0.37%	0.33%
Slag	1.22%	1.87%
CRP Pulp	3.44%	3.37%
Jeans Pulp	1.13%	0.93%
Pulp	0.08%	0.02%

Note: For roofing, boards and panels as well as pipes and fittings, the Company's process incorporates dry waste recycling. The ratio of Dry Waste Recycling (DWR) is as per quality and strength guidelines. This is monitored in volumetric terms and cannot be provided in value terms. The proportion of DWR in roofing, boards and panels, and pipes & fittings, was 1.79%, 18.77%, and 8.75% in FY2024, respectively, and 1.68%, 19.05%, and 8.27% in FY2023, respectively.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Stakeholder group from whom the complaint is received	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	Not applicable					
E-waste	Please refer Principle 2, Essential Indicator 3					
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
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Not applicable

Please refer Principle 2, Essential Indicator 3

PRINCIPLE 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators:

1. a. Details of measures for the well-being of the employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	1,143	1,143	100%	1,143	100%	NA	NA	1,143	100%	-	-
Female	56	56	100%	56	100%	56	100%	NA	NA	-	-
Total	1,199	1,199	100%	1,199	100%	56	4.67%	1,143	95.33%	-	-
Other than Permanent Employees											
Male	43	43	100%	43	100%	NA	NA	43	100%	-	-
Female	2	2	100%	2	100%	2	100%	NA	NA	-	-
Total	45	45	100%	45	100%	2	4.44%	43	95.56%	-	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	640	640	100%	640	100%	NA	NA	640	100%	-	-
Female	-	-	100%	-	100%	NA	NA	NA	NA	-	-
Total	640	640	100%	640	100%	NA	NA	640	100%	-	-
Other than Permanent Workers											
Male	4,223	4,223	100%	4,223	100%	NA	NA	4,223	100%	-	-
Female	40	40	100%	40	100%	40	100%	NA	NA	-	-
Total	4.263	4.263	100%	4.263	100%	40	0.94%	4,223	99.06%	-	-

Note: Health insurance, accident insurance, maternity & paternity benefits are provided to workers under ESI.

c. Spending on measures towards the well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of the total revenue of the Company	0.45%	0.32%

Note: Measures towards employee wellbeing included in the table above are medical insurance, accident insurance, and canteen facilities at all locations. Total revenue considered is total income (including other income)

2. Details of retirement benefits, for the current financial year and previous financial year:

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	9%	22%	Yes	11%	23%	Yes
Others - please specify	Not applicable					

Note: All employees and workers are covered under Group Insurance or ESIC. Workmen's compensation is not applicable.

3. Accessibility of workplaces: Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

HIL is deeply committed to becoming an employer of choice by building a diverse and inclusive organizational culture. Consistent with its shared goal of "Creating HIL of tomorrow", the Company has invested in ensuring that as an initial step, all the plants and sales offices can also be accessed by ramps, etc. Training for security personnel ensures sensitivity and that appropriate support is provided to ensure convenient access for differently abled employees and workers.

4. Does the entity has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:

HIL embraces diversity and inclusion in the workplace and is a material ESG topic for the Company. The recruitment and referral practices of the Company do not differentiate based on gender, orientation or any form of disability. As per the policy, employees and recruitment partners receive an additional incentive/bonus for referring a suitable candidate for its openings. These policies are communicated to the employees and relevant external stakeholders and made available on the internal portal.

5. Return to work and retention rates of permanent employees and workers who took parental leave:

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	96.72%	100%	100%
Female	100%	100%	100%	100%
Total	100%	96.88%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes. There is a grievance committee to address the grievances of permanent workers through complaint registers at all the factories which are reviewed regularly.
Other than Permanent Workers	Yes. Grievance boxes are provided at all the plant locations to receive grievances from contract workers. Once a month, grievances received by the workers are opened and reviewed by the plant's leadership team. Suitable actions are taken to address these grievances and other feedback.
Permanent Employees	Yes. HIL has an online portal for grievance management for permanent employees.
Other than Permanent Employees	Yes. Employees can lodge their grievances / feedback with their reporting managers or in a grievance register maintained by Admin team at their respective locations. Suitable actions are taken to address these grievances / feedback.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees/workers in the respective category (A)	No. of employees/workers in the respective category, who are part of the association(s) or Union (B)	% (B/A)	Total employees/workers in the respective category	No. of employees/workers in the respective category, who are part of the association(s) or Union (D)	% (D/C)
Permanent Employees						
-Male	1,143	-	-	1,037	-	-
-Female	56	-	-	49	-	-
Total	1,199	-	-	1,086	-	-
Permanent Workers						
-Male	640	265	41%	604	278	46%
-Female	-	-	-	-	-	-
Total	640	265	41%	604	278	46%

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,186	1,186	100%	1,052	88.70%	1,089	803	73.74%	916	84.11%
Female	58	58	100%	55	94.83%	52	48	92.31%	48	92.31%
Total	1,244	1,244	100%	1,107	88.99%	1,141	851	74.58%	964	84.49%
Workers										
Male	4,863	4,863	100%	374	7.69%	5,071	5,071	100.00%	604	11.91%
Female	40	40	100%	-	-	30	30	100.00%	-	-
Total	4,903	4,903	100%	374	7.63%	5,101	5,101	100.00%	604	11.84%

Data includes both permanent and other than permanent employees and workers

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Permanent Employees						
Male	1,186	983	82.88%	1,089	803	73.74%
Female	58	43	74.14%	52	48	92.31%
Total	1,244	1,026	82.48%	1,141	851	74.58%
Permanent Workers						
Male	4,863	341	7.01%	5,071	604	11.91%
Female	40	-	-	30	-	-
Total	4,903	341	6.95%	5,101	604	11.84%

Note: All eligible employees and workers have received career development and performance reviews. Workers who are a part of trade unions which have wage agreements are not eligible for career development and performance reviews.

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

HIL prioritizes the health and safety of its employees and workers and adheres to both global and national standards for Occupational Health and Safety. There is rigorous monitoring of environmental and Occupational Health and Safety practices to ensure conformance with all applicable standards and norms. The Occupational Health and Safety Management System covers 100% of its employees and workers. Plans are underway to implement ISO 14001 and ISO 45001 standards at six roofing product plants for FY2025.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

HIL carries out Hazard Identification and Risk Assessment (HIRA) to ensure workplace safety. Hazards are identified through accident reports, inspections, and worker interviews. Following that, risks are assessed using a 5X5 matrix based on likelihood and severity. Controls are then determined, including engineering measures, administrative controls, or providing PPE. Daily operations involve routine processes for production, while non-routine processes focus on modifications, productivity enhancements, and similar initiatives. Each manufacturing facility has a dedicated Environmental Health and Safety (EHS) lead who conducts regular inspections and collaborates with department heads to address identified issues. Quarterly safety meetings and periodic interdepartmental EHS audits ensure ongoing improvement in safety standards.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/ No)

Yes, HIL has processes in place for workers to report work-related hazards and to remove themselves from such risks. Employees are encouraged to contribute to improving safety protocols by submitting written ideas in a suggestion box. These submissions are then reviewed by the plant head and addressed accordingly, based on the severity of the incident and associated risk level. Corrective and preventive actions (CAPA) resulting from each incident are shared across all plants, facilitating the proactive prevention of recurrence through the horizontal deployment of CAPA measures.

The Company has implemented a comprehensive standard for reporting and investigating various Environment, Health, and Safety (EHS) events aimed at categorizing EHS events effectively. This approach ensures that consistent reporting and investigation procedures are followed and bottlenecks within processes, procedures, and practices are removed. Corrective actions are deployed horizontally.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

The well-being of its people is a key ingredient for the success of HIL's employer brand as well as ambitions to be future-ready. The Company has established a comprehensive system that monitors employees' overall health and addresses both occupational and non-occupational illnesses. Prioritizing employee health begins with a medical check-up before employment and continues throughout the employees' time with the Company, even after they leave HIL. All employees are given regular medical check-ups and receive tailored health education and counselling sessions.

The Company takes an approach of early diagnosis and prompt treatment in cases of non-occupational diseases. Measures are taken to prevent the occurrence of complications and premature death. The interventions provided by the Company have resulted in significant reductions in both morbidity and mortality rates. Finally, the Company provides health education to reinforce the importance of adopting healthy habits and ergonomic practices.

11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	Employees	-	-
	Workers	0.45	0.49
Total recordable work-related injuries	Employees	-	-
	Workers	5	4
No. of fatalities	Employees	-	-
	Workers	-	-
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

*Including contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Health and Safety at the workplace has always been the priority for HIL and is periodically reviewed by the Executive Leadership. The Company has implemented a formal program that outlines the responsibilities of management and employees to maintain a safe working environment. The program includes policies and procedures for identifying hazards, assessing risks, and implementing control measures, as well as providing training and education for employees. The Company's Health & Safety initiatives are performing effectively, and the awareness sessions it has conducted have significantly heightened understanding and adherence to Health & Safety protocols.

- ▶ The Company conducts regular risk assessments to identify potential hazards, evaluate associated risks, and implement control measures to mitigate those risks. Depending on the risk score, engineering controls such as ventilation systems, guardrails, machine guards, and interlocks are implemented to eliminate or reduce exposure to hazards. Additionally, the workplace is regularly inspected to evaluate hazards and the effectiveness of control measures and ensure compliance with relevant regulations and standards.
- ▶ Employees are provided with training and education on safe work practices, hazard recognition, and the proper use of personal protective equipment (PPE) and equipment. Employees are also provided with PPE such as hard hats, safety goggles, respirators, gloves, and safety shoes etc. to protect them from potential hazards.
- ▶ A robust incident reporting system has been established to ensure that all incidents, including near misses, are reported and investigated, and corrective actions are taken to prevent similar incidents from occurring in the future.
- ▶ AI cameras have been installed in the danger zones of the machines to prevent high-severity injuries to workers. If any person enters the designated danger zones, the AI camera detects their presence and immediately sets off an alarm to the operator of that particular machine and shuts off the moving parts.
- ▶ Regular mock drills are conducted biannually across all manufacturing plants to evaluate the proficiency of the Emergency Response Team (ERT) and First Aid team members in managing specific emergencies pertinent to their geographical setting and operational processes. Following these drills, the ERT team convenes to review the outcomes, identifying any deficiencies and promptly implementing necessary enhancements.
- ▶ The Company has partnered with service providers for the provision of an Employee Assistance Program. This anonymous program offers all employees and two dependents free access to various services, including 24/7 support from 900+ counselling psychologists. The service provider hosts weekly webinars and wellness sessions on stress management, supplemented by informative mailers on emotional and mental well-being.

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	NA	Nil	Nil	NA
Health and Safety	Nil	Nil	NA	Nil	Nil	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Upon assessment of safety practices, fixed roof lifelines, vertical access ladders, and vertical lifelines were implemented to mitigate the risk of falls from elevated areas. This fall protection setup was put in place during the removal of tarpaulin from trucks and loading bays. New fire hydrant systems have been installed at the Golan, Gujarat, and Jhajjar, Haryana plants for Blocks, Pipes & Fittings (P&F), and Putty sections to effectively address potential fire incidents. Additionally, existing fire hydrant systems at locations like Kondapalli and Jasidih have been enhanced to maximize their efficacy.

Leadership Indicators:

1. Does the entity extend any life insurance or any compensatory package in the event of death of:

The Employees of the Company are covered under Term life Insurance and this benefit is extended to all its employees at no additional cost. Under this, in the event of the unfortunate demise of an employee, during their employment, the nominee will receive an amount equivalent to "40 times the last drawn monthly basic salary of the deceased employee". Workers are covered under the ESIC Act.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Contracts executed by the Company with the value chain partners have "Standard Terms and Conditions" including, but not limited to the payment of "Taxes & Duties", "Compliance with Laws", "Compliance with Statutory Obligations", "Indemnification", "Audit Provisions" etc. These bind the value chain partners to ensure payment of statutory dues. Contractual workforce service providers are reviewed regularly to ensure that the payment of statutory dues, such as PF, Gratuity, Insurance, Taxes, etc., are made and complied with. Apart from this, the current month's bill claims have to be certified by the corresponding unit HR for compliance with the previous month's statutory payments for bill payment processing.

3. Provide the number of employees/workers having suffered high-consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil		Nil	
Workers				

Note: Regrettably, in January 2022, HIL reported a case of permanent disability involving a contract worker. The disability affected his leg and the Company provided support by arranging for an artificial limb and ensuring he could return to work according to his abilities. Currently, he is a part of HIL's permanent workmen.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company currently does not have a structured program for providing transition assistance to retiring employees. Health insurance is extended for employees and their families (spouse and 2 dependent kids) for 2 years after retirement.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Most of HIL's tier-I suppliers have implemented sustainable practices related to safety and working conditions. The Company does not conduct formal assessments of any of its value chain partners currently.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable – Please refer Question 5

PRINCIPLE 4

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators:

1. Describe the processes for identifying key stakeholder groups of the entity.

HIL is dedicated to maintaining the highest standards of transparency, accountability, and ethical conduct across its operations. The Company categorizes stakeholders as any entities, groups, organizations, or communities influenced directly or indirectly by its operations and across its value chain. In the fiscal year 2023-24, the Company evaluated its key stakeholder groups based on the impact that stakeholders have on the value created by the Company and assessed the ramifications of its business activities on its stakeholders. The key stakeholders include local communities, employees and workers, customers, suppliers and business partners, government and regulatory authorities, shareholders and investors, dealers and distributors as well as influencers and applicators. Actively engaging with these stakeholders facilitates a comprehensive and responsive approach to their needs and feedback, thereby allowing for the adaptation of business operations and processes. This systematic approach ensures that the Company can effectively engage with its stakeholders and address their concerns in a manner that aligns with its core values and objectives.

2. List stakeholder groups identified as key for the entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as a vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website), others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Local Communities	Yes	<ul style="list-style-type: none"> ▶ Community Meetings for need identification ▶ Partnership with local implementation partners 	<ul style="list-style-type: none"> ▶ Need-based ▶ Ongoing 	<ul style="list-style-type: none"> ▶ Need and impact on Society at large ▶ Selection of CSR Projects ▶ Implementation Partners ▶ Alignment of CSR projects with HIL's strategy ▶ Project outcome and impact ▶ Healthcare and wellbeing ▶ Education and related infrastructure ▶ Community development
Employees and Workers	No	<ul style="list-style-type: none"> ▶ Townhall ▶ CHRO Hub ▶ Employee experience survey ▶ Human Resources portal ▶ HRMS ▶ Emails from Employee Communication ▶ Business Meetings 	<ul style="list-style-type: none"> ▶ Annual ▶ Quarterly ▶ Monthly ▶ Ongoing 	<ul style="list-style-type: none"> ▶ Company's vision, mission and values ▶ Business performance updates ▶ Training and capability building ▶ Aspects of employee well-being ▶ Performance management and career development ▶ Employee engagement activities

Stakeholder Group	Whether identified as a vulnerable & marginalized group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website), others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> ▶ Exhibitions and events ▶ Website and social media ▶ Distributor/ Retailer/ Direct customer/ Achievers' meets ▶ Customer plant visits ▶ Trade body membership ▶ Information on packaging 	Ongoing	<ul style="list-style-type: none"> ▶ Customer surveys & complaints management ▶ Product features and benefits ▶ Product quality and availability feedback ▶ Timeliness of customer support ▶ Satisfaction with after-sales service ▶ Responsible guidelines/ manufacturing ▶ Awareness and initiatives for climate change
Suppliers and Partners	No	<ul style="list-style-type: none"> ▶ Procurement channels ▶ Suppliers/ traders/ manufacturers' visits ▶ Product workshops ▶ Seminars 	▶ Ongoing	<ul style="list-style-type: none"> ▶ Quality, Price ▶ Timely delivery and payments ▶ Transparency ▶ New product introduction ▶ New business opportunity ▶ Jointly working on product quality enhancement ▶ Sustainable procurement practices
Government and Regulatory Authorities	No	<ul style="list-style-type: none"> ▶ Compliance reports ▶ Industry forums ▶ Statutory meetings 	▶ Ongoing	<ul style="list-style-type: none"> ▶ Statutory environmental, social and governance compliance ▶ Compliance-related requirements, such as filing periodic returns, reports, payment of taxes, etc.
Shareholders and Investors	No	<ul style="list-style-type: none"> ▶ Annual General Meeting ▶ Investor conferences/ calls/ meetings ▶ Investor communications/ press releases/relevant ▶ Advertisements ▶ Stock Exchange Intimations 	▶ Quarterly	<ul style="list-style-type: none"> ▶ Governance and financial performance ▶ Business updates ▶ Growth plans and product pipeline ▶ Financial performance and business updates
Dealers & Distributors	No	<ul style="list-style-type: none"> ▶ Dealer conferences ▶ Regional meetings ▶ Email communications ▶ Training workshops ▶ Sales reports ▶ Product catalogues and price lists ▶ Promotional materials ▶ Social media updates ▶ Direct sales calls 	<ul style="list-style-type: none"> ▶ Monthly, ▶ Quarterly ▶ Ongoing 	<ul style="list-style-type: none"> ▶ Sales performance and targets ▶ Product availability and quality, ▶ Pricing and promotions ▶ Marketing support and materials ▶ Training and education on product features ▶ Customer preferences and market trends ▶ Resolving issues or concerns regarding deliveries or payments ▶ Collaboration on marketing campaigns and promotions.

Stakeholder Group	Whether identified as a vulnerable & marginalized group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website), others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Influences and Applicators	No	<ul style="list-style-type: none"> ▶ One-on-one meetings ▶ Events, exhibitions and expos ▶ Digital media ▶ Training workshops, ▶ Product catalogues, ▶ Direct sales calls ▶ Training and awareness workshop 	▶ Ongoing	<ul style="list-style-type: none"> ▶ Awareness of the Company and Products Profile ▶ Business collaboration and value addition ▶ Training and education on product features ▶ Customer preferences and market trends, ▶ Collaboration on marketing campaigns and promotions.
Bankers	No	▶ In-person meetings/ visits	▶ On need basis	<ul style="list-style-type: none"> ▶ Transparent financial transactions ▶ Timely repayment of debt
Industry Associations	No	<ul style="list-style-type: none"> ▶ Emails and letters ▶ Meetings and seminars ▶ Representations ▶ Conferences 	<ul style="list-style-type: none"> ▶ Annually ▶ Half-yearly ▶ Quarterly ▶ As and when required 	<ul style="list-style-type: none"> ▶ Policy matters and initiatives. ▶ Broader policy development and consensus-building process.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Board has delegated the responsibility of stakeholder consultation on environmental and social topics to the Executive Leadership of HIL. Functional leaders have a structured engagement mechanism as discussed in *Principle 4, Essential Indicator 2 (above)*. This feedback is provided to the Board through the Board Familiarization Programmes (*please refer to Principle 1, Essential Indicator 1*). Investor and Shareholder concerns are presented to the Stakeholders' Relationship Committee while the CSR Committee reviews inputs received from its communities. These committees and Board Familiarization Programmes serve as vital platforms for fostering dialogue and gathering insights from HIL's stakeholders. This ensures that the Board remains abreast of stakeholder perspectives and concerns, thereby supporting informed decision-making on matters related to economic, environmental, and social aspects.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Yes, stakeholder consultation is used to identify the environmental and social needs of the stakeholders. Employee feedback and input are obtained through the Company's engagement platforms. These translate into new initiatives and policies. Similarly, based on customer needs obtained through feedback mechanisms, the R&D team is developing new products and improving existing products.

The Company also actively engages with its suppliers and vendors. A Supplier Satisfaction Survey was conducted during FY2024, and the feedback received is being used for planning improvements. For example, Truck turnaround time was raised as a concern and TMS was implemented to reduce truck detention at factories.

3. Provide details of instances of engagement with and actions taken to address the concerns of vulnerable/ marginalized stakeholder groups.

HIL actively engages with vulnerable and marginalized stakeholder groups surrounding its plant operations to understand their needs. This engagement is integral to the Company's ethos of social responsibility. Through structured initiatives the Company not only ensures that the voices of these communities are heard but also incorporated into the decision-making processes. These are translated into concrete actions to address their needs including access to education, healthcare, and livelihood opportunities.

The Company has undertaken multiple initiatives catering to the disabled community, exemplifying its commitment to inclusivity and social responsibility. At the Sanath Nagar plant, the Company offered hearing aid assistance to children facing hearing impairments. Through its collaboration with the Supported Deaf Enabled Foundation, the Company actively contributes to the betterment of the deaf community. This partnership focuses on enhancing their quality of life by facilitating access to educational resources, fostering social and cultural awareness, and advocating for independence and barrier-free communication. While this is one specific example, all of the Company's CSR activities are as per the needs of vulnerable and marginalized communities.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	1,199	1,199	100%	1,086	359	33.06%
Other than permanent	45	45	100%	55	-	-
Total	1,244	1,244	100%	1,141	359	31.46%
Workers						
Permanent	640	640	100%	604	63	10.43%
Other than permanent	4,263	4,263	100%	4,497	208	4.63%
Total	4,903	4,903	100%	5,101	271	5.31%

Note: Human Rights Training includes POSH and Employee Code of Conduct among others

- Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1,143	-	-	1,143	100%	1,037	-	-	1,037	100%
Female	56	-	-	56	100%	49	-	-	49	100%
Other than Permanent										
Male	43	-	-	43	100%	52	-	-	52	100%
Female	2	-	-	2	100%	3	-	-	3	100%
Workers										
Permanent										
Male	640	-	-	640	100%	604	-	-	604	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	4,223	4,223	100%	-	-	4,467	4,467	100%	-	-
Female	40	40	100%	-	-	30	30	100%	-	-

3. Details of remuneration/salary/wages, in the following format:

a. Median Remuneration/Wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of the respective category (Amount in Lakhs)	Number	Median remuneration/ salary/ wages of respective category (Amount in Lakhs)
Board of Directors (BoD)*	4	17.50	1	12.50
Key Managerial Personnel**	2	445.00	1	55.00
Employees other than BoD and KMP	1145	7.2	53	7.12
Workers (Permanent)*	683	5.33	2	3.91

*Includes only Non-Executive Directors. The Non-Executive Directors of the Company are entitled to sitting fees and commission as per the statutory provisions. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. Sitting fees is paid based on the number of meetings attended by a Non-executive Director and hence not considered for calculation of median remuneration.

**KMPs includes the Managing Director & CEO, Chief Financial Officer and the Company Secretary of the Company.

Note: Annualised salaries of KMPs/Employees/Workers as on March 31, 2024 has been considered for calculation of median remuneration.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	4.2%	3.7%

Note: The data takes into account all permanent and non-permanent employees and workers and the women workforce within them.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Human Rights are a material topic for HIL as per the Company's materiality assessment. Human rights concerns within the organization are addressed comprehensively by various platforms. The Chief HR Officer (CHRO) is the focal point (individual) responsible for addressing human rights impacts. The POSH Committee also plays a critical role in addressing and preventing instances of sexual harassment within the workplace.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

A dedicated portal for Grievance Management is available and all human rights grievances are assessed by a cross-functional team consisting of CHRO, Legal Head & Internal Audit Head. These are investigated, and necessary actions are taken. Further, the Company has a dedicated email address for POSH mapped to the Chairperson of the POSH Internal Committee.

6. Number of Complaints on the following made by employees and workers:

Benefits	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	NA	NA	-	NA	NA
Discrimination at workplace	-	NA	NA	-	NA	NA
Child Labour	-	NA	NA	-	NA	NA
Forced Labour/ Involuntary Labour	-	NA	NA	-	NA	NA
Wages	-	NA	NA	-	NA	NA
Other human-related issues	-	NA	NA	-	NA	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The mechanisms outlined in the Whistle Blower Policy and Sexual Harassment at Workplace Policy serve to safeguard the interests of the complainant in cases of discrimination and harassment. The Company enforces a strict non-retaliation policy, maintains confidentiality to protect the complainant's identity, and offers avenues to report any retaliatory actions promptly. It ensures that any individual who targets the complainant will be subject to disciplinary action. The Code of Conduct emphasizes non-retaliation assurances, with regular training reinforcing awareness. These measures collectively aim to provide a secure environment for the complainant to raise concerns without fear of reprisal.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The Company's commitment to human rights extends to the workforce, contractors, and suppliers. All business agreements and contracts have clauses on human rights compliance. This includes legal compliance, and prohibition of harmful practices like child labour, forced labour, and discrimination.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	Nil

Note: HIL's Internal Auditors conduct assessments as per their quarterly audit schedule. Assessments are also periodically conducted by the respective Government authorities and the Company has not received any non-compliance reports. Additionally, its Secretarial Auditors also conduct annual audits to ensure compliance with the laws and regulations on these aspects.

11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above.

No specific risks, concerns, or instances related to the assessments in Question 10 were noted during the reporting year. As a proactive measure, HIL ensures awareness and e-learning sessions regularly to educate all employees and workers on the subject. In addition, the Company ensures that security guards at its plants and locations receive the necessary training to identify, report, and act when an instance occurs.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

HIL has not received any grievances/complaints on human rights issues. Hence, no business modifications are required.

2. Details of the scope and coverage of any human rights due diligence conducted.

No Human Rights due diligence was conducted in the reporting year FY2024.

3. Is the premise/office of the entity accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

HIL has invested in improving accessibility at its plants and offices as discussed in Principle 3, Essential Indicator 3.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	There were no assessments done in the reporting year FY 2024.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others - Nil	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments in Question 4 above.

None.

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators:**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	13,288.75	13,017.96
Total fuel consumption (B)	4,01,996.20	3,39,332.97
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	4,15,284.94	3,52,350.93
From non-renewable sources		
Total electricity consumption (D)	2,55,584.30	2,37,585.45
Total fuel consumption (E)	2,21,314.06	2,31,419.24
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	4,76,898.36	4,69,004.69
Total energy consumed (A+B+C+D+E+F)	8,92,183.30	8,21,355.63
Energy intensity per rupee of turnover GJ/Rupee (Total energy consumed / Revenue from operations)	4.296 x 10 ⁻⁰⁵	3.983 x 10 ⁻⁰⁵
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) GJ/USD (Total energy consumed / Revenue from operations adjusted for PPP)	0.0010	0.00096
Energy intensity in terms of physical Output	Not Applicable	Not Applicable
Energy intensity (optional) - the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Energy calculations are limited to the manufacturing operations of the Company and do not include electricity consumption at offices, depots or any Company vehicles. Revenue considered for intensity calculation is revenue from the sale of finished goods and does not include the sale of traded goods, services or other operating revenues. The addition of two new plants into the scope has impacted the energy intensity performance. The impact of investments and operational improvements will show results in subsequent reporting periods.

Energy calculations are based on factors and equations from WRI's GHG Protocol, EPA.Gov, DEFRA and 2016 IPCC Protocol. Biomass calorific values are based on sample data. Renewable sources include capex solar energy generated, wind energy, and Biomass (Deoiled Cashewnut Shell, Briquettes, Rice Husk) used in boilers, and firewood for canteen. Non-renewable sources include grid electricity for plants, diesel for DG sets and material handling equipment, coal, PNG and LPG (for process use and, in the canteens).

PPP data has been obtained from the CEIC, Organisation for Economic Co-Operation and Development. The values have been prorated from CY2022 and CY2023 for FY 2023 data (24.007) and CY2023 and CY2024 (estimated) for FY 2024 data (23.846)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilo liters)		
(i) Surface water	-	-
(ii) Groundwater	8,86,757.52	8,95,741.18
(iii) Third party water	15,532.73	21,261.06
(iv) Seawater / desalinated water		
(v) Others - Bottled Water	434.14	666.66
Total volume of water withdrawal (in kilo liters) (i + ii + iii + iv + v)	9,02,724.39	9,17,668.90
Total volume of water consumption (in kilo liters)	8,47,627.20	8,57,513.63
Water intensity per rupee of turnover (kL / INR)	4.08 x 10 ⁻⁰⁵	4.16x 10 ⁻⁰⁵
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) kL/USD PPP	0.000973	0.000998
(Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical Output	Not Applicable	Not Applicable
Water intensity (optional) - the relevant metric may be selected by the entity		

Revenue considered for intensity calculation is revenue from sale of finished goods and does not include sale of traded goods, services or other operating revenues.

PPP data has been obtained from the CEIC, Organisation for Economic Co-Operation and Development. The values have been prorated from CY2022 and CY2023 for FY 2023 data (24.007) and CY2023 and CY2024 (estimated) for FY 2024 data (23.846)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment - soak pit	7,672.75	4,293.06
(iii) To Seawater		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(v) Others - Gardening		
- No treatment	-	-
- With treatment - ETP/STP	47,424.45	55,862.21
Total water discharged (in kilolitres)	55,097.20	60,155.27

The Company is in the process of operationalizing water telemetry for accurate measurement of discharge and STP. For FY2023 and FY2024 for some plants discharge figures are estimated.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, the name of the external agency. No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, HIL has made the requisite investments to progress towards Zero Liquid Discharge across all its plants. The Company ensures zero effluent output from its operational activities while domestic wastewater from toilets and the canteen undergoes treatment in specialized Soil Biotechnology-based (SBT) sewage treatment plants (detailed in Principle 6, Leadership Indicator 4). The Company has also invested in soak pits in some of its plants during the reporting year which are now operational. The post-treatment discharge is utilized for maintaining the green belt. Consequently, the Company's plants do not release any liquid waste onto land or into water bodies, rendering them Zero Liquid Discharge (ZLD) facilities. Water Management is a material risk for HIL and it continues to invest in rainwater harvesting and water recycling to reduce the water intensity. In addition, the Company is deploying water telemetry to build stronger control of its processes.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Tonnes	113.69	113.38
SOx	Tonnes	20.11	26.53
Particulate matter (PM)	Tonnes	17.44	32.79
Persistent organic pollutants (POP)		Not applicable	
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-please specify			

The emissions are recorded based on quarterly measurements of the DG sets and the boiler stacks and the Company monitors other air emissions for SOx, NOx, and Particulate Matter (PM₁₀ and PM_{2.5}). POP, VOC, HAP as described above are not material for our operations and hence are not monitored. As a practice, HIL ensures that all air pollution parameters are within the permissible limits and compliant with the prevalent norms prescribed by the regional Pollution Control Boards, indicating efficient management of industrial operations and stringent air pollution control processes.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, the name of the external agency. - No, however, annual audits are conducted by independent 3rd party agencies which have been authorized by the Pollution Control Board and accordingly compliance reports are provided.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	21,061.77	21,714.69
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	50,761.88	46,989.12
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent per Rupee of Turnover	3.458 x 10 ⁻⁰⁶	3.33 x 10 ⁻⁰⁶
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO ₂ equivalent per USD adjusted for PPP of Turnover	8.247 x 10 ⁻⁰⁵	8 x 10 ⁻⁰⁵
Total Scope 1 and Scope 2 emission intensity in terms of physical output		Not Applicable	Not Applicable
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity		Not Applicable	Not Applicable

Revenue considered for intensity calculation is revenue from sale of finished goods and does not include sale of traded goods, services or other operating revenues. GHG Emissions calculations are limited to manufacturing operations of the Company and do not include electricity consumption at offices, depots or any Company vehicles. Fugitive Emissions including refrigerants, fire suppressants and small adhoc use gases have not been included. These are minor in quantities and will not have a material impact on the GHG emission values. Addition of two new plants into the scope and has impacted the emission intensity performance. Impact of investments and operational improvements will show results in subsequent reporting periods.

Scope 1 GHG Emissions: Based on factors and equations from WRI's GHG Protocol, EPA.Gov, DEFRA and IPCC's fifth assessment report. Fuels for Stationary Combustion (2006 IPCC guidelines) include diesel for DG sets, coal, PNG, and LPG. Mobile Combustion includes Diesel consumed in forklifts and material handling equipment. CH₄ and N₂O emission by biomass, i.e., deoiled cashew nut shell, briquette, rice husk, and firewood is accounted for. Biogenic emissions released from use of Biomass for FY 23-2024 is 42,329.56 tCO₂ and for FY 22-2023 is 35,633.06 tCO₂.

Scope 2 GHG Emissions: Based on the Grid Electricity EF - Central Electricity Authority, Govt. of India, CO₂ baseline database for Indian Power Sector, Version 19, December 2023 at the aggregate level (With RE). Renewable Energy (directly and excess generation) is provided to the grid which has been reduced from the Scope 2 emissions.

PPP data has been obtained from the CEIC, Organisation for Economic Co-Operation and Development. The values have been prorated from CY2022 and CY2023 for FY 2023 data (24.007) and CY2023 and CY2024 (estimated) for FY 2024 data (23.846)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

HIL has identified Climate Change and GHG Emissions as a key focus area as part of its materiality assessment and efforts to be future-focused. The Company's commitment to being a responsible business also extends to strengthening its efforts in alignment with National goals. The Company is currently focusing on developing an accurate baseline for its GHG emissions and intensity to define specific quantitative goals. The addition of two new plants in the scope of HIL's operational carbon footprint and initiatives are underway to drive operational improvements. The Company has already taken several proactive measures including improving the renewable mix, use of biofuels, and energy efficiency.

- ▶ **Renewable Energy:** Rooftop Solar Panels at the Chennai and Faridabad Plants and the Company has invested in wind turbine generators in Gujarat, Tamil Nadu, and Rajasthan with a total rated capacity of 9.35 MW.
- ▶ **Energy reduction and process improvement initiatives** to reduce waste, driven by Lean Six Sigma methodologies, contribute indirectly to GHG emission reduction
- ▶ **Energy-Efficient Equipment:** Installed energy-efficient blowers, vacuum pumps, backwater pumps and other equipment besides Energy-efficient lighting
- ▶ **Greener Fuels:** HIL constantly evaluates opportunities to shift to cleaner fuels and it uses biofuels in some of its plant locations based on local availability. HIL currently uses briquettes, rice husk as well as de-oiled cashew nuts for its biomass needs
- ▶ **Tie-ups with EV fleets** for corporate travel - HIL actively encourage the adoption of EV vehicles for all business travel where possible

For more details, please refer to Annexure VI of the Board's Report.

Given HIL's focus on improving the environmental impacts of its business, the Company ensures a minimum of 33% of the land in its plants is dedicated to the green belt. In some of the Company locations including Faridabad, the green cover is significantly greater which would effectively help offset its GHG emissions.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2,107.30	2,339.24
E-waste (B)	12.41	0.78
Bio-medical waste (C)	1.64	2.39
Construction and demolition waste (D)	112.00	0.00
Battery waste (E)	14.56	2.56
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)		
Used Oil	6.18	5.42
Asbestos Cement trimming sheets (Discarded sheets)	12,359.70	9,358.89
Process sludge containing asbestos fibre	958.54	3745.63
Other Non-hazardous waste generated (₹). Please specify, if any	56,333.00	38,039.35
Total (A+B + C + D + E + F + G + H)	71,905.33	53,494.26

Parameter	FY 2023-24	FY 2022-23
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations) MT/Rupee	3.46x10 ⁻⁰⁶	2.59x10 ⁻⁰⁶
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) MT/ USD PPP	8.256x10 ⁻⁰⁵	6.228 x10 ⁻⁰⁵
Waste intensity in terms of physical output	Not Applicable	Not Applicable
Waste intensity (optional) - the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations		
	(in metric tonnes)	
Category of waste		
(i) Recycled	38,175.87	36,240.43
(ii) Re-used	7,566.64	2,861.22
(iii) Other recovery operations	8036.48	3,450.23
Total	53,778.99	42,551.88
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1.64	2.39
(ii) Landfilling	18,124.70	10,939.95
(iii) Other disposal operations	-	-
Total	18,126.34	10,942.34

Non-hazardous waste generated includes metal and wood scrap, process waste, and garbage (including food waste). Recycled waste consists of dry waste including process waste which is recycled within the process and recycling of waste materials including metal and wood waste, plastic scraps, tyre waste and MS barrels by an authorised waste disposal Company as well as composted wet waste. Any asbestos-based dry waste that cannot be recycled is transferred annually to TSDF (Treatment, Storage, Disposal Facility). Incineration is done for biomedical waste per the Hazardous Waste Management Rules. Landfilling involves the disposal of boiler ash, broken powder blocks, process sludge containing non-asbestos fibre, and non-asbestos discarded sheets. HIL attempts to ensure that the majority of landfills are directed toward the reclamation of land. However, the rest is handled by an authorised waste disposal company. The Company has intensified its efforts to improve housekeeping at its plants on assessment and disposal of waste generated and stored over the years. Waste is recognized as generated when it is disposed and hence is in excess of the fresh waste generated from its operations. The waste intensity performance will change as the post-housekeeping waste disposal is complete.

PPP data has been obtained from the CEIC, Organisation for Economic Co-Operation and Development. The values have been prorated from CY2022 and CY2023 for FY 2023 data (24.007) and CY2023 and CY2024 (estimated) for FY 2024 data (23.846)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by the Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

In line with its Environmental Responsibility objectives, HIL has a defined waste management strategy which is aligned with its significant material topics. The Company is adopting circular economy principles while prioritizing waste reduction and resource efficiency. Implemented under the 5R principles, the Company segregates its waste streams by waste and material-type besides hazardous and non-hazardous and ensures appropriate measures for safe storage, handling, and disposal. Hazardous waste is sent to PCB-authorised vendors for safe disposal as per regulatory norms. Dry waste which could contain asbestos and used lubricant oil, undergoes meticulous handling with advanced dust collection systems and strict safety protocols. A robust recycling program ensures responsible disposal of asbestos-containing materials, while used lubricant oil is repurposed to minimize environmental impact.

All discarded or defective products, including pipes, boards, panels, and sheets, are ground to convert into Dry Waste Recycle (DWR) wherever applicable and used again as input material in the manufacturing process. For non-hazardous waste such as metal, wood, and MS drums, the Company is implementing strict segregation and ensuring that recycling protocols are enforced. This waste is then sold to authorised dealers for recycling, repurposed, and disposal as appropriate. In FY2022-23 and FY2023-24, HIL has spent focused energy on taking a housekeeping approach to evaluating various categories of waste in its storage. In these two years accumulated waste from previous years operations have been graded and disposed.

For broken and market-returned asbestos sheets, the Company has established procedures for their collection and subsequent delivery to facilities capable of reusing them in the manufacturing process. Any asbestos waste deemed unsuitable for reuse undergoes disposal at a Treatment, Storage, and Disposal Facility (TSDF), ensuring safe and environmentally sound management. By incorporating alternate materials from thermal power plants and steel production units into its manufacturing processes, HIL promotes reuse and recycling in the production of roofing and wet walling solutions. Synthetic packaging materials have been replaced with sustainable alternatives to foster a culture of reuse and recycling.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/office	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and Corrective action taken, if any.
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The Company does not have operations or offices located in ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc. Therefore, environmental approvals or clearances specific to these areas do not apply to HIL's operations.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Weblink
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No environmental impact assessments of projects undertaken have been conducted in the current financial year.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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The Company is compliant with all applicable environmental laws, regulations, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act, along with rules thereunder.

Leadership Indicators:

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area: Faridabad (Water Stress Area - Over Exploited)
- (ii) Nature of operations: Roofing Sheets, Panels, Pipes and Fittings
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilo liters)		
(i) Surface water	-	-
(ii) Groundwater	61,680.00	87,637.00
(iii) Third party water	5,702.70	8,782.16
(iv) Others - Seawater/ desalinated water	-	-
(v) Others - Bottled water	394.20	666.70
Total volume of water withdrawal (in kilo liters) (i + ii + iii + iv + v)	67,776.90	97,085.86

Parameter	FY 2023-24	FY 2022-23
Total volume of water consumption (in kilo liters)	62,596.80	89,970.80
Water intensity per rupee of turnover (kL / INR)	3.014 x10 ⁻⁰⁶	4.363 x10 ⁻⁰⁶
Water intensity (optional) - the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment - soak pit	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(v) Others - Gardening		
- No treatment	-	-
- With treatment - ETP/STP	5,180.15	7,114.91
Total water discharged (in kilo litres)	5,180.15	7,114.91

#Faridabad is the only manufacturing location of the Company which is in a water stressed area.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Not applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MTs of CO ₂ equivalent	HIL has not initiated the process for inventorying its Scope 3 emissions.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, the name of the external agency. NA

3. With respect to the ecologically sensitive areas reported in Question 11 of Essential Indicators above, provide details of the significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities:

Not Applicable, as the Company does not have operations in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1.	Soil Biotechnology (SBT)-based sewage treatment plants at Golan, Thimmapur, Kondapalli, Cuttack, and Faridabad locations	The domestic waste, including canteen wastewater, is treated in the STP, and the treated water is used for gardening to avoid freshwater consumption for green belt maintenance.	No sludge generation, low power consumption, Low maintenance, No odour issues, and easy operations
2.	Ground-mounted bag filters	Replaced the silo-top dust collection systems with ground-mounted bag filters.	Increased efficiency and dust emissions reduced to minimum concentrations.

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
3.	Upgraded the existing roof rainwater harvesting systems	Additional groundwater recharge wells, use of Piezometers along with a telemetry system per CGWA norms to measure groundwater withdrawal, and digital water flow meters to monitor consumption trends	Maximization of rainwater collection to recharge groundwater reduce leakages and wastage.
4.	Manufacture of AAC blocks	Increased usage of pond ash (30 - 50%) from total fly ash quantity in composition	Reduce the dependency on fly ash, avoid land-filling & improve resource efficiency
5.	Use of pulverized and granulated plastic waste	Wherever quality and application permits, HIL recycles this waste	Improved resource utilization which is waste from other industry
6.	Dry Waste Recycling	Quality and R&D Team have improved the manufacturing process to incorporate Dry Waste into the raw material mix.	The proportion of DWR in raw material mix increased by 7% in Roofing, and by 6% in Pipes & Fittings and Putty plants from FY 2022-23. (For details, please refer to Principle 2, Leadership Indicator 4).
7.	Asbestos Reduction	Changed the raw material mix to ensure that the requisite product characteristics were maintained while reducing the proportion of asbestos.	Reduction of asbestos in the raw material mix to 6.1%.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Business Continuity and Disaster Management systems are integral to HIL's Enterprise Risk Management Process. The Company has instituted thorough onsite emergency protocols specifically tailored to address potential plant-specific crises. To ensure preparedness, the Company conducts semi-annual mock drills to assess the efficacy of its Emergency Response Teams (ERT). Regular training sessions covering firefighting, rescue operations, first aid, and other vital skills are provided to both ERT members and our entire workforce. Furthermore, the Company's ERT teams are equipped to handle emergencies extending beyond the boundaries of its facilities. A notable demonstration of their proficiency occurred when the ERT team at the Company's Balasore plant swiftly and effectively responded to a colloidal accident involving three trains on June 2nd, 2023, near Balasore. The Company also periodically conduct fire drills and other emergencies for its office staff. The Company has also implemented the necessary business continuity and disaster management measures from an IT security perspective which are in line with the requirements of its ISO 27001 certification requirements.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Most of the Company's tier-I suppliers have implemented sustainable practices related to environmental compliance and impacts. None of HIL's products or downstream operations have negative environmental impacts beyond disposal at the end of life.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable - please refer to Question 6 above.

PRINCIPLE 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. 10
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	The Fibre Cement Product Manufacturer's Association (FCPMA)	National
2.	Confederation of Indian Industry (CII)	National
3.	The Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
4.	Faridabad Industries Association	State
5.	Balasore Chamber of Industries	State
6.	Haryana Environmental Management	State
7.	Green Rating for Integrated Habitat Assessment (GRIHA)	National
8.	Indian Green Building Council (IGBC)	National
9.	Indian Plumbing Association (IPA)	National
10.	Indian Plumbing Skills Council (IPSC)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
None		

Leadership Indicators:

1. Details of public policy positions advocated by the entity:

S.No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
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The Company does not make any public or regulatory policy advocacy representations to the government directly. However, HIL does participate in the industry and trade bodies of which it is a part (as detailed in Principle 7, Essential Indicator 1 (b)) including those where HIL is also a founder member. The Company contributes its experience and opinion on a variety of industry issues as a part of these forums. At the request of policymakers, HIL would share its knowledge to help define framework conditions and their impact on society in the fields of relevance to the Company.

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

None of the projects of the Company had any stipulation to conduct a Social Impact Assessment (SIA) during the reporting period.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the entity, in the following format:

No Rehabilitation and Resettlement is ongoing or required for any of HIL's projects.

3. Describe the mechanisms to receive and redress grievances of the community.

HIL works cooperatively with the complainant to achieve a suitable resolution to address community complaints in a dialogue-based manner. Both verbal and written complaints may be lodged. The Company has dedicated email addresses for receiving complaints from communities: info@hil.in and cs@hil.in. On receiving a complaint, Company officials investigate the issue and promptly respond to the complainant. Grievances are escalated, if necessary, to Senior Management for additional evaluation.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	15.00%	15.20%
Directly from within India	68.10%	70.10%

The figures account for the procurement of only raw materials. For the calculations, figures for FY2023 have been regrouped, corrected, and updated wherever necessary.

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	37.29%	41.85%
Semi-urban	-	-
Urban	31.97%	31.51%
Metropolitan	30.74%	26.64%

Leadership Indicators:

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Since the Company was not required to conduct any Social Impact Assessments, this is not applicable.

2. Provide the following information on CSR projects undertaken by the entity in designated aspirational districts as identified by government bodies:

There are no designated aspirational districts around the area of operations of the Company.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No): No
- (b) From which marginalized /vulnerable groups do you procure? Not Applicable
- (c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

There were no disputes registered intellectual property in the reporting year. As a result, no corrective actions were required.

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of Persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Education (11 Projects)	7,222+	100%
2.	Healthcare (18 Projects)	13,225+	100%
3.	Community Development* (4 Projects):	1,200+	100%

*In addition, the Company developed a green belt near the Faridabad plant to improve the air quality in the region. It installed CCTV near the Balasore plant in Orrisa to enable safety in the surrounding area. These projects although based on the needs of the communities have not been included in the number of persons benefitted from the project.

PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators:

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

HIL has a customer-centric approach that feeds into research, production, and distribution of its products and solutions, to enable stronger brand loyalty as well as relationships with customers and other partners. Leveraging technology, the Company aims to develop an immersive engagement and loyalty platform for influencers and channel partners. The Company has launched a customer relationship management system while implementing a sales force automation platform to enhance efficiency and streamline customer experiences. This ensures a robust system to receive feedback across the downstream value chain. The Company has also integrated a customer service cell for centralized complaint monitoring, and prompt, impartial resolution. Complaints from dealers and distributors are classified into technical or manufacturing, application and transport, concerns to ensure appropriate allocation for resolution. Each complaint is processed through the dealer portals, with investigations conducted, including on-site visits if necessary. Within 15 days of complaint registration, corrective action is taken, typically in the form of a Credit Note (CN), contingent upon the validation of its legitimacy.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product	27.6%
Safe and responsible usage	8.1%
Recycling and/or safe disposal	Not currently calculated

3. Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending Resolution at end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	Nil	NA	NA	Nil	NA	NA
Advertising	Nil	NA	NA	Nil	NA	NA
Cyber-security	Nil	NA	NA	Nil	NA	NA
Delivery of essential services	Nil	NA	NA	Nil	NA	NA
Restrictive Trade Practices	Nil	NA	NA	Nil	NA	NA
Unfair Trade Practices	Nil	NA	NA	Nil	NA	NA
Other	Nil	NA	NA	Nil	NA	NA

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recall	Nil	NA
Forced recall	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, HIL has an ISMS (Information Security Management System) policy for cyber security and for addressing Data Privacy risks which are available on the HRMS portal and accessible to all employees. The coverage of the policy includes employees and is also extended to users accessing HIL IT infrastructure and resources. Awareness sessions are conducted for all employees at least twice a year besides an annual phishing simulation exercise. The Company provides training as part of IT induction for new joiners which is complemented by training sessions through the EC-Council aware platform. The IT infrastructure and security systems receive updates and vulnerability-related information from its service providers and undertake measures to ensure appropriate protection which are certified as per ISO27001-2013.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on Safety of products / services.

There have not been any complaints related to any of these issues. Based on the Company's monitoring mechanisms, and feedback collection, it proactively undertakes actions to prevent issues from occurring as mentioned above for ISMS.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact:
- Percentage of data breaches involving personally identifiable information of customers:
- Impact, if any, of the data breaches

There have been no instances of data breaches for FY2024.

Leadership Indicators:

1. Channels/platforms where information on products and services of the entity can be accessed (provide a web link, if available).

All product information across product categories is readily available on the Company's website <https://hil.in/>. Details of the Company's products and related technical services are also directly disseminated by its field force to its network of dealers, distributors, construction professionals, and channel partners. The Company also has a presence on online B2B marketplaces such as IndiaMart, and TradeIndia among others and it continues to evaluate additional channels. The Company also participates in tradeshow, exhibitions, and social media initiatives to apprise both current and prospective customers about its offerings.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The product packaging for the Company's Putty and Construction Chemicals contains information on safe and responsible usage. For other categories including roofing and walling solutions, HIL provides information booklets on safety aspects during installation besides training to customers via its distribution partners. The Company also engages directly with influencers and applicators when it provides the required guidance on safe and responsible usage.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

HIL's activities do not fall within the provisions of the Essential Services Maintenance Act (ESMA). However, the Company proactively shares information about any potential disruptions or discontinuations of its product availability with its customers via its salesforce and other channels of communication.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did the entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity, or the entity as a whole? (Yes/No)

HIL at a minimum ensures compliance with the Bureau of Indian Standards, the Legal Metrology Act, and all other applicable labelling regulations. The Company's product packaging carries additional information on product benefits supplemented with guidance on usage. The Company actively engages with its customers to obtain feedback on various aspects of its product portfolio, loyalty programs, customer engagement, and other operational aspects. Details are mentioned in *Principle 4, Essential Indicator 2*. The Company also periodically undertakes structured customer satisfaction surveys to complement the inputs it receives as part of operational interactions, marketing conversations, etc.

For and on behalf of the Board of Directors
For HIL Limited

Place: New Delhi
Date: May 7, 2024

Akshat Seth
Managing Director & CEO
DIN : 10039820