

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 Khetrpal
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