CK BIRLA GROUP

HIL

Enabling the Future

HIL Limited
Annual Report 2023-24

Contents

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Enabling the Future

Consumers are redefining their relationship with their work and life spaces. They are seeking spaces that enhance and enrich their experience – spaces that **enable their future**. In doing so, they seek building solutions that are innovative, technologically advanced and sustainable.

The wave of transformation currently underway, to **enable the future** of HIL, is anchored around these fast-evolving consumer preferences. We are making bold choices to expand our areas of play, build sustainable pillars of differentiation and foster a growth mindset that challenges the status quo. All this, while leveraging the strong equity of trust earned over seven decades of consistent value creation.

We are grateful to all of you – our customers, partners, teams and stakeholders – for your unwavering support, in this phase of **enabling the future** of HIL.

The CK Birla Group

With over 35,000 employees, the group operates 52 manufacturing facilities across India and the world, establishing its presence in diverse sectors including Infrastructure, Technology, Automotive, Home and Building, and Healthcare.

The CK Birla Group continuously adapts to stay ahead in a changing world. By harnessing technology and investing in people and digital transformation, the Group consistently remains agile and delivers profitable growth. Viewing value creation through a global lens, our companies operate without borders.

The CK Birla Group companies include Birlasoft Limited, GMMCO Limited, National Engineering Industries Limited (manufacturer of NBC Bearings), Orient Cement Limited, HIL Limited, Orient Electric Limited, CK Birla Healthcare Private Limited (CK Birla Hospitals and Birla Fertility & IVF), Orient Paper & Industries Limited, AVTEC Limited, and Neosym Industries Limited.

Our companies share a common purpose of serving customers, partners and communities to create long term value through trust-based relationships.

The CK Birla Group, with a revenue of over US $3 billion, is an Indian multinational conglomerate.

Revenue
~ US $
3 billion

No. of employees
35,000

Our commitment to our community

The Trusts supported by the CK Birla Group engage in a range of activities and institutions, across the fields of healthcare, science & technology, education and art and culture.

Our educational institutions include the Birla Institute of Technology (BIT) in Mesra, Modern High School (MHS) and Modern High School International (MHSI) in Kolkata and Rukmani Birla Modern High School in Jaipur.

The Group also runs the G.P. Birla Archaeological Astronomical and Scientific Research Institute, the BM Birla Science Centre, the BM Birla Planetarium, the GP Birla Centre and the Nirmala Birla Gallery of Modern Art.

The Trust hospitals run by the Group are CMRI (Calcutta Medical Research Institute) and BM Birla Heart Research Centre in Kolkata and Rukmani Birla Hospital in Jaipur.

About HIL

HIL, for over seven decades, has been a trusted leader in the Home and Building solutions industry. We offer sustainable products and innovative solutions to meet the evolving needs of consumers worldwide.

At HIL, our consumer obsession and sharp market insights power our innovation funnel, enabling us to deliver differentiated products.

This proposition is truly reflected in our portfolio of brands that are leaders in their respective segments. Our strong R&D capabilities, state-of-the-art manufacturing facilities and extensive distribution network spanning over 80 countries bring this proposition closer to our consumers, globally.

Vision

To be a leading, global, innovative and eco-friendly building and infrastructure solutions company and create sustainable value for our stakeholders.

Mission

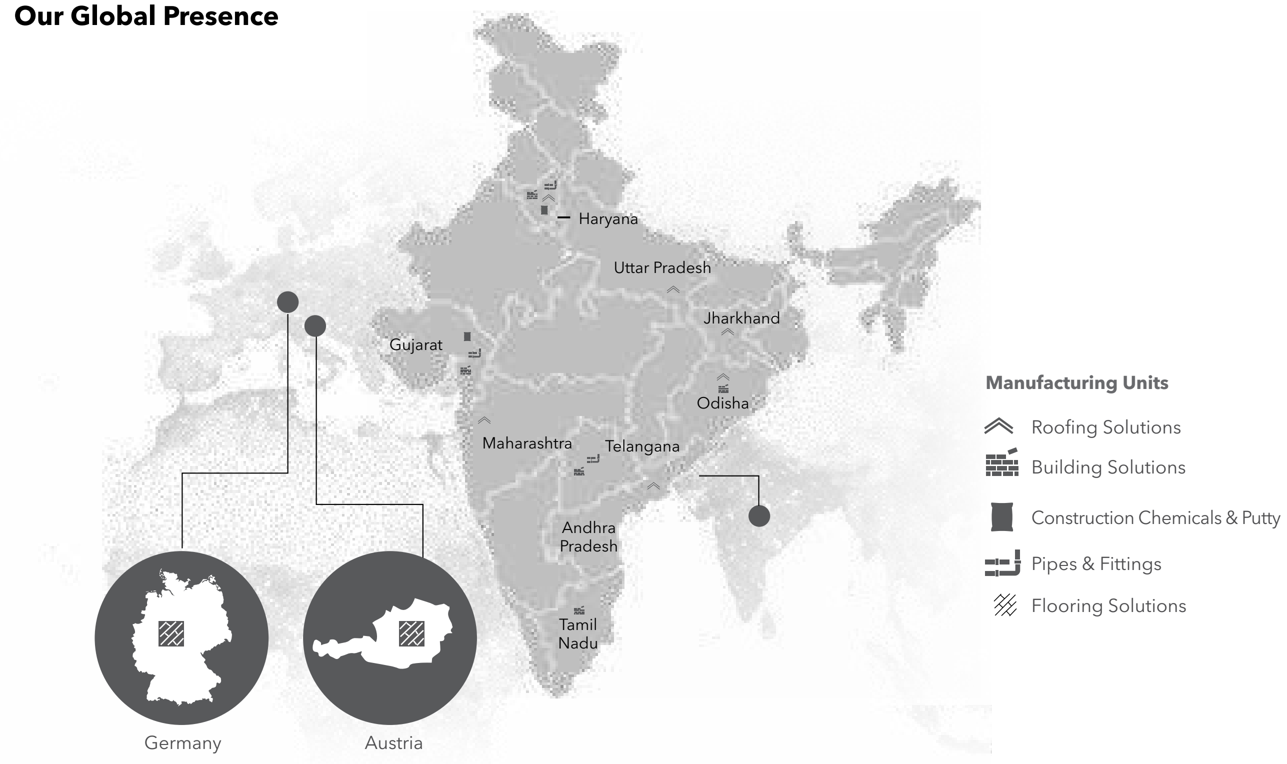
- To deliver a diversified portfolio of eco-friendly products and solutions, fuelled by innovation
- To build a strong corporate brand present across all continents
- To digitalise processes, end-to-end, for business excellence
- To be a diverse workplace that is a preferred employer

while continuing to meet our highest standards of quality, corporate social responsibility, safety, health and environment.

Values

Excellence
Innovation
Teamwork
Integrity
Accountability
Respect

Our Global Presence



Strengths

Financial highlights (consolidated basis)

3,375 Revenue from operations (₹ in crore)

154 EBITDA (₹ in crore)

35 PAT (₹ in crore)

46 EPS (₹)

Brands

- **Charminar** – No. 1 roofing solutions brand
- **Birla Aerocon** – No. 1 AAC blocks brand
- **Birla HIL** – emerging brand in pipes & fittings, construction chemicals & putty
- **Parador** – renowned global flooring brand

Manufacturing

32 State-of-the-art manufacturing facilities (including in Germany and Austria)

People

No. 12 India's Best Companies to Work For by Great Place to Work (GPTW)

94 GTPW Trust Index Score

Young and committed workforce

38 years Average age

7+ years Average employee tenure

Sales & distribution network

21,000 + Retail touchpoints

Presence in **80+** countries

Innovative product portfolio

- TrueFit technology ensuring leak-proof pipes & fittings
- Ultra-titanium coated, insulated water tanks that keep water cool
- Fire & water resistant wall panels
- Ultracool roofing sheets providing temperature reduction and higher energy efficiency
- Cement-free AAC blocks with low carbon footprint

Legacy of Consistent Value Creation

1940s-1960s

- Incorporation of the Company
- Commissioned AC sheet plants at Hyderabad and Faridabad

1970s-2000s

- Commenced production of panels in Faridabad and blocks in Chennai
- Established R&D centre in Hyderabad
- Listed on Stock Exchanges
- Birla Aerocon wins DSIR National Award from the Ministry of Science & Technology

2010s

- Commenced pipes & fittings production in Faridabad and Golan
- Commenced AAC block production in Jhajjar and Thimmapur
- Set up windmills for green energy
- Acquired PARADOR
- HIL wins Business Superbrand and Birla Aerocon & Charminar win Consumer Superbrand titles
- Golan plant receives GreenCo Gold rating, a first in the industry
- Kondapalli plant wins the TPM Excellence Award
- HIL recognised as an Iconic Brand and Asia's Most trusted Building Material Company
- Parador wins European Product Design Award
- HIL listed in Fortune India 500
- HIL recognised as a Great Place to Work
- Partnered with Chennai Super Kings

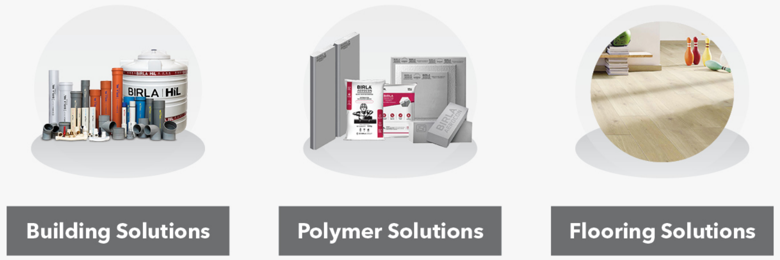
2020s

- Entered construction chemicals business
- Commenced putty production in Golan
- Commenced AAC sheet and flat board production in Faridabad
- Acquired FastBuild
- Acquired Crestia Polytech (Topline Pipes & Fittings)
- Parador wins Red Dot, German Design and Good Design Awards
- Parador wins the most innovative medium-sized company award, Germany
- Birla Aerocon and Charminar win Superbrand titles for 5 consecutive years
- Charminar and Birla HIL recognised as Most Trusted Brands of India
- HIL recognised as a Sustainable Organisation by The Economic Times
- HIL recognised as a Great Place to Work for 6th consecutive year

Our Portfolio Growth Over 75 Years

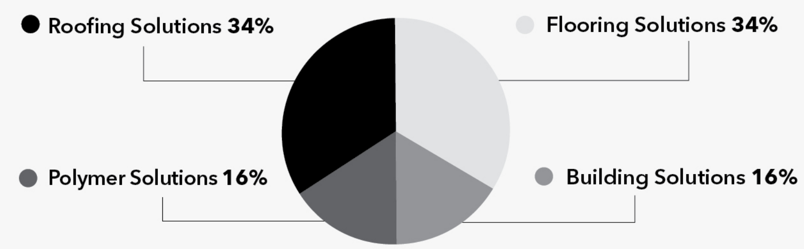
1946

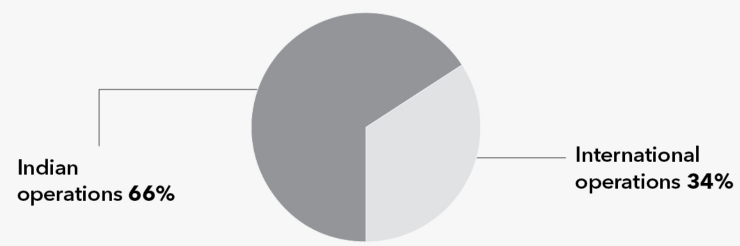
1997 - 2022



2024

Revenue Share in %





Chairman's Message

The organisation is boldly "Reimagining HIL" and executing strategic pivots that will put us on the path of fast paced, value-building growth.

Dear Shareholders,

As I reflect on the past year, I am filled with pride and optimism about HIL's journey and the exciting future ahead.

HIL enjoys a legacy that spans over 75 years and enjoys market leadership and strong brand equity across its diverse product offerings. In this backdrop, the organization has demonstrated the courage to "Reimagine HIL" and to start execution on the many strategic pivots that will put HIL on the path of "fast paced, value building growth". This re-pivoting is also timely given favorable macro-trends pointing to a strong and sustained growth trajectory for investments in infrastructure and construction sectors in India.

Financially, in FY24, HIL delivered a robust performance with consolidated revenue of ₹3,375 crore and an EBITDA of ₹154 crore. The year was marked by several proud milestones across all our business segments, providing an early glimpse to the strategic pivots HIL is making to pursue its growth ambitions.

In the Pipes & Fittings segment, our recent acquisition of Crestia Polytech (Topline) coupled with strong efforts to deepen our channel presence has provided us the impetus to be in the fast lane of growth in one of the most exciting categories in the construction and building products industry. Our Construction Chemicals business is experiencing robust growth, nearly doubling its revenue year on year. In Roofing & Building Solutions, we have recorded our highest volumes and solidified market share. To offset price headwinds across most categories, the team remained sharply focused on driving operational efficiencies and continuous improvement in our cost structure.

During the year we also received several awards and recognition across our businesses such as Economic Times Best Brands, India's Best Brand of the Year and Superbrands awards for Charminar and Birla Aerocon; Most Trusted Brand award for Charminar and Birla HIL Pipes and INEX award for Birla Aerocon, Charminar and Birla HIL Putty.

Despite challenging conditions in Europe, the re-energised Parador team has seized the opportunity to enhance market share by leveraging its strengths in product innovation, design and quality. In addition, we are expanding our areas of play to newer geographies and into commercial segments. Parador, provides a unique global dimension and reach to HIL and I truly believe it is one of the most exciting parts of our portfolio.

Underlying these "early wins" are carefully calibrated investments in building a strong engine for product innovation, branding and marketing and for building a digital-first organisation. Equally, Environmental, Social, and Governance (ESG) factors are central to our strategy, reflecting our care for people and communities. We are committed to not only developing eco-friendly, sustainable products and practices but also partnering with customers to prioritise environmental responsibility. As a testament to our continued focus on building sustainable and eco-friendly products and processes, we received the prestigious GRIHA certification for our AAC Blocks, Panels and Pipes and "Green Pro" award for cPVC Pipes and Fittings.

Our People are central to HIL's success and our vision is to build a future-ready organization that is responsible, agile, and innovative. I extend my gratitude to all of our team-members for passionately and tirelessly creating value for our stakeholders. Their contributions at every level of the organization are invaluable, and we remain dedicated to building a culture of excellence, trust, and inclusion. I am proud to share, that HIL has recently been ranked 12th amongst "Great Places to Work" in India.

This year, we have also deepened the impact of our CSR activities by partnering with the Live, Love, Laugh Foundation for improving rural mental health which has led to significant improvement in the lives of thousands of individuals. This program has already impacted over 13,500 lives across the country.

On behalf of the Board of Directors, I sincerely thank all our stakeholders for their unwavering support and trust. We are confident of our path forward and remain dedicated to creating long-term value as we strive to become one of the most admired Home and Building brands, globally.

Warmly,

CK Birla
Chairman

MD & CEO's Message

We have made rapid strides during the year to build a strong engine for product innovation, branding and marketing, for building a digital-first enterprise and for value mining for enhanced profitability. Our most decisive steps have been towards building the organisation for tomorrow. The recent acquisition of Crestia Polytech is also a significant milestone.

Dear Shareholders,

It is my privilege to share with you the performance highlights of HIL for FY23-24, a year that will be remembered as the one in which we laid the foundation for a 'Reimagined HIL'.

During the year, we continued our growth agenda to realise our ambition to be a USD 1 billion company over the next 3-4 years. The recent acquisition of Crestia Polytech (Topline), and the resultant doubling of our Pipes & Fitting business, is a major milestone. We have changed the paradigm of our branding efforts and reenergised our product innovation engine. Value mining for enhanced profitability has been established as a key organisational priority. Our most decisive steps have been towards building the organisation for tomorrow. We have strengthened our leadership and frontline teams, moved towards a digital-led way of working and are building a culture of excellence. These steps, I am confident, point to an exciting FY25 and beyond for HIL.

At a consolidated level, HIL reported revenue of ₹3,375 crore, with an EBITDA of ₹154 crore for FY24. Within this consolidated picture, HIL India delivered steady performance in FY24, with robust volume growth across most product segments. HIL India reported standalone revenue of ₹2,231 crore for the year, up 4% from last year. This was achieved in the context of a modest demand scenario and intensifying competition. As a result, pricing pressures remained intense throughout the year, including in our polymer business where record-low PVC prices presented additional complexities. Our relentless focus on driving operational efficiencies and continuous improvement in cost structure meant our profitability improved across most segments.

At Parador, we reported a revenue of ₹1,144 crore for FY24. Parador, in FY24, presented a story of opportunity amidst adversity. Recessionary macro-economic conditions and weak consumer sentiments resulted in a near-meltdown in construction activity and flooring demand in our core European markets. In this environment, we doubled down on our efforts to gain market share by expanding our playfield to commercial segments, agile pricing, restructuring our sales teams, seeding new markets, and through product innovation. We also maintained relentless discipline on cost and working capital to ensure lean operations. The year ended with recovery in volume trajectory with the business showing QoQ revenue growth for the last two quarters and also achieving positive operating margins.

As macro-economic indicators show signs of a turnaround, we are confident of a smart recovery at Parador in FY25. We remain committed to making Parador a Euro 500 million+ global brand over the next 3-4 years and are confident about achieving the same. It is the hidden gem in HIL portfolio to watch out for.

Roofing Solutions continued to scale new heights and delivered highest ever sales volume. The Charminar brand that carries a 75+ years legacy of trust, further strengthened market leadership, price positioning and deepened its distribution reach. During FY25, we expect both volume and price growth leading to an improvement in our margin performance. We will also be introducing exciting new products in this segment to sustain our differentiated positioning and further grow our market share.

In Building Solutions, we had a steady performance during the year with volume growth across most categories albeit with pricing pressures - for instance Block volumes grew by 12%, however the price dropped by 8%. These headwinds on pricing led to muted profitability this year. We are however aggressively working on several value enhancement initiatives to improve our profitability and expect significant margin improvement during FY25.

The coming years are promising for our Building Solutions business as we launch several new products and continue to scout for opportunities for both inorganic and organic capacity expansion to accelerate our growth trajectory.

Pipes & Fittings business has built a strong momentum and delivered 12% volume growth for the year. Underlying this annual picture is a 23%+ growth in Q4 and over 40% growth in recent months. This growth is being driven by targeted distribution expansion efforts in the retail segment, as well as a focused approach to technical sales in the institutional segment. Despite significant pricing pressure, the profitability of the Polymer Solutions business improved significantly by more than 300 bps for the year compared to FY23, owing to several initiatives across supply chain and material costs.

FY24 witnessed significant volatility with resin prices reaching multi-year lows. We believe PVC and cPVC prices have largely bottomed (in fact, on an increasing trend in the new financial year). This should augur well for the overall industry especially in terms of arresting drop in realizations. With a strong brand legacy, superior product mix and value focus, we are well positioned to create significant value by growing scale in the segment and to outpace the market as we have done so over the last several years.

With the acquisition of Topline, the expanded portfolio of products and customers will add further momentum to our Pipes & Fittings story. The focus is on aggressively growing scale - organically and inorganically - in this segment and create significant shareholder value.

The performance of our Putty business was lower than expected, largely driven by industry wide reduction in prices and increased competitive intensity. However, structural fine-tuning, including realignment of the sales team and geographical expansion, has started yielding results and we expect resumption of our growth journey in FY25. Efforts on recipe optimization and sourcing have meant our profitability in Putty is in a healthy zone.

Our Construction Chemicals business is on a strong growth trajectory with revenue nearly doubling YoY - exiting FY24 at a run-rate of ₹85 crore annualized revenue. We continue to grow the business month-on-month and expand our product assortment and grow our footprint. We expect FY25 to be a breakthrough year for this business with both revenue and profitability increasing significantly.

As we move forward, our commitment to building a strong innovation engine will drive new product development and differentiated offerings. We will continue to invest in technology to position HIL as a digital-first enterprise. Furthermore, we are dedicated to establishing green, sustainable credentials to meet the demands of an environmentally conscious market.

Our People define HIL and we continue to invest in building an organization for tomorrow. Our business achievements are led by the sterling contribution of our teams - on the shop floor, at the frontlines and in our R&D centre. I am happy to share that not only have we been re-certified as a "Great Place to Work" for a 6th consecutive year but also ranked as the 12th best company to work for in India, a significant achievement for HIL. As we march towards our goals, we will sustain our enabling work-culture to ensure our teams are inspired to take HIL to the next level.

In conclusion, short-term headwinds aside, the fundamentals for all our business categories remain robust, and we remain on course to becoming one of the most admired Home and Building brands globally.

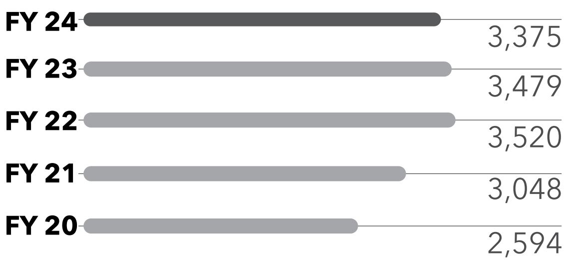
Regards,

Akshat Seth
MD & CEO

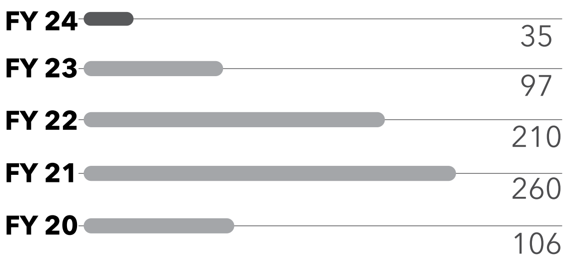
Financial Highlights

Consolidated

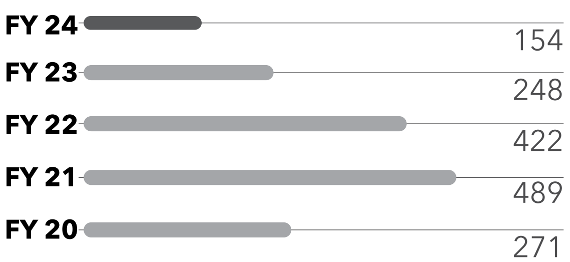
Revenue
(₹ in crore)



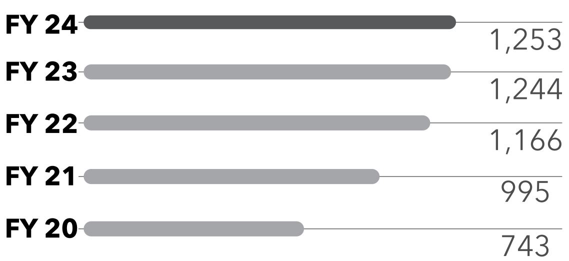
Profit After Tax (PAT)
(₹ in crore)



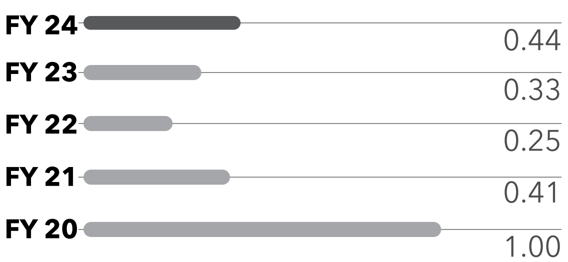
EBITDA
(₹ in crore)



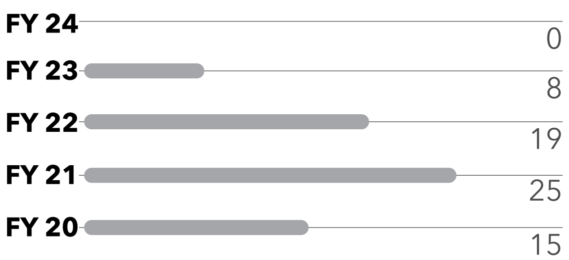
Net Worth
(₹ in crore)



Debt Equity Ratio
(times)

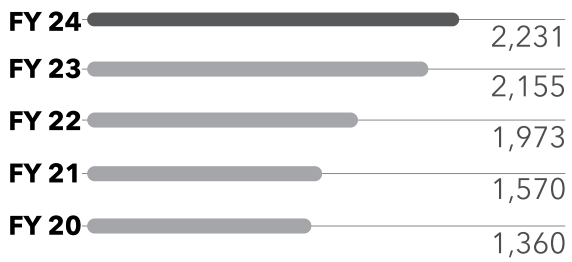


ROE
(%)

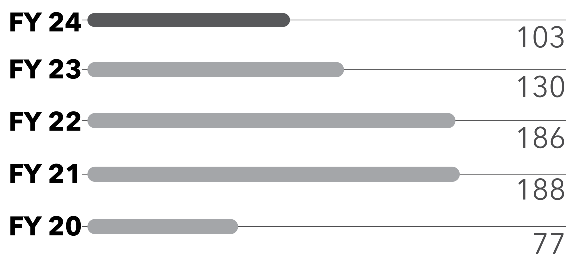


Standalone

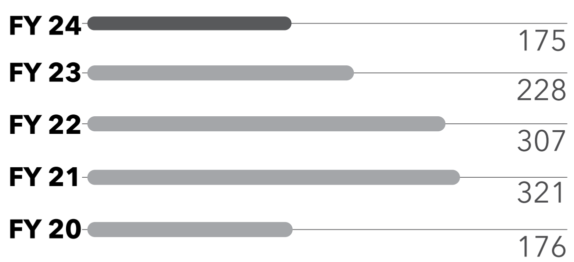
Revenue
(₹ in crore)



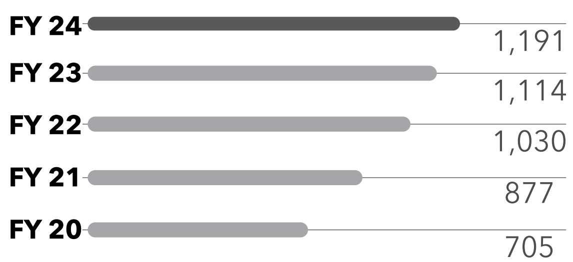
Profit After Tax (PAT)
(₹ in crore)



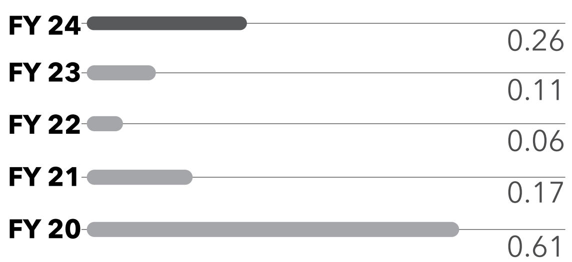
EBITDA
(₹ in crore)



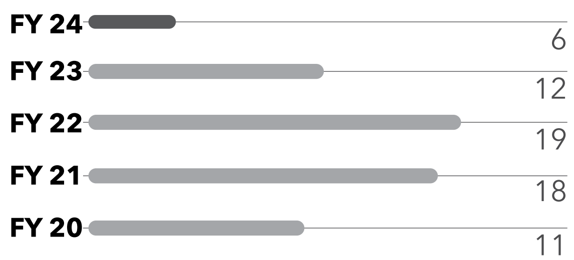
Net Worth
(₹ in crore)



Debt Equity Ratio
(times)



ROE
(%)



We are dedicated to enabling the future with sustainable design.

Our focus on eco-friendly building solutions reflects our commitment to providing our customers with environmentally conscious options. By prioritising sustainability, we aim to create spaces that meet our consumers' needs and promote harmonious coexistence between human habitation and the planet.

Portfolio of Consumer Offerings

Dedicated to being a comprehensive provider of home and building solutions, we have a portfolio of trusted brands that have built a strong consumer connect. Our commitment to design thinking and product excellence meets the evolving needs of our consumers with an assurance of superior quality and value.

Roofing Solutions

Charminar, our flagship brand, enjoys the leadership position in the roofing industry with its comprehensive range of innovative and eco-conscious products. From fibre cement sheets to colour coated sheets and eco-friendly Fortune, Charminar continues to cater to varied customer needs, expanding into adjacent categories and shelter solutions for home and enterprise sectors as well.

Brands

CHARMINAR — Most Trusted Roofing Solution

Charminar Fortune

Ultra Cool

Building Solutions

Birla Aerocon is India's leading green building solutions brand, offering both dry & wet walling solutions. The portfolio includes AAC blocks, panels, fibre cement boards, sandwich panels, ready mix plaster, block jointing mortar and panel jointing compounds.

As industry pioneers, we will continue to provide solutions with better applications and enhanced energy efficiency.

Brand

BIRLA AEROCON BUILDING SOLUTIONS

Pipes & Fittings

Birla HIL offers the most comprehensive range of Pipes and Fittings products. We are at the forefront of innovation, providing advanced solutions in the category such as cPVC, uPVC, SWR, silent, UGD, foam core, pressure, column, and casing pipes, along with water tanks, all complemented by uniquely designed fittings. We are broadening our distribution channels to reach more customers and markets, ensuring our high-quality products are accessible to a wider audience. Our pipes and fittings, engineered using Truefit technology offer leak-proof joints.

Birla HIL is dedicated to delivering quality and reliability, enabling a future where infrastructure and innovation go hand in hand.

Brand

BIRLA HIL PIPES

Construction Chemicals and Putty

One of the fastest growing Construction Chemicals and Putty brands for both residential and commercial applications, Birla HIL offers an elaborate range of products and solutions in various segments such as tile and stone fixing solutions, dry mix & repair solutions, protective coats and more. Our putty is engineered with the unique true colour technology that promises to redefine the standard of excellence in wall finishing by setting unprecedented standards in superior whiteness and smoothness for walls.

With strong focus on innovation, we are developing products that are easy to apply, improving application efficiency and providing long lasting, aesthetic interiors to our consumers.

Brands

BIRLA HIL CONSTRUCTION CHEMICALS

BIRLA HIL PUTTY

Flooring Solutions

Parador is a leading international interiors & flooring brand, born from passion and a desire to create outstanding spaces in a sustainable way. We have a diversified range of flooring products that include engineered wood, laminate, vinyl and our unique sustainable product – Modular One. We work directly with the design industry and retailers and provide quality flooring and accessories to customers in more than 80 countries. Parador finds its application in both commercial and residential segments.

Brand

PARADOR

Crestia Polytech (Topline) Acquisition

In April 2024, we successfully acquired Crestia Polytech Private Limited (Crestia) and its four group companies under the brand 'Topline'. Acquiring this renowned brand of Pipes and Fittings in Eastern India has enhanced our product portfolio in the PVC polymer sector. The acquisition brings under our umbrella three flagship brands: Topline, Rockwell, and Soniplast. The total deal consideration was on a debt-free, cash-free basis.

265
Cost of acquisition
(₹ in crore)

Why this Acquisition?

- **Market diversification**
  - Impact: New market segments
  - Benefit: Enables entry into high-growth segments such as **HDPE, MDPE, and water tanks**

- **Technology advancement**
  - Impact: Innovation & project eligibility
  - Benefit: Access to patented **technologies, electro-fusion fittings and water tanks**

- **Operational efficiency**
  - Impact: Improved sourcing and reduced costs
  - Benefit: Optimises raw material sourcing through better local options and lowers logistic costs by serving Eastern India from local facilities.

- **Capacity**
  - Impact: Production boost
  - Benefit: Triples current production capacity to **1.15 lakh MTPA**

- **Product portfolio**
  - Impact: New customer segments
  - Benefit: Opens doors to new customer segments such as agriculture, telecom, and natural gas, while doubling the pipe and fitting portfolio.

- **Market reach**
  - Impact: Geographic expansion & distribution network
  - Benefit: Gains access to Topline's distribution network in **15 states**

    Strengthens presence in **Eastern India**

    Jal Jeevan Mission (JJM) approval in **12 states**

Acquisition completed post FY23-24 and accordingly, the financials of Crestia and its subsidiaries will be consolidated in FY24-25.

A combination of data and technology is enabling our future.

As the future unfolds and challenges us in many different ways, we continue to leverage digitalisation across workstreams to usher in sustainable change.

Technology and Digitalisation

Through comprehensive technology adoption across our operations, we are poised to become future-ready. Our emphasis on enhancing every business operation, from sales to marketing, manufacturing and supply chain management has encouraged us to embrace advanced technology solutions and improve process efficiencies.

Enablers of Digital Transformation

Technology & infrastructure

Digitalise core systems
Implementing advanced technologies and connecting electronic systems to the data lake

Leading platforms
Utilising Industry 4.0 technologies and developing digital-native business platforms

Data management
Centralising data infrastructure, focusing on data quality and security, and deploying AI/ML models

Capability & change management

Agile methodology
Adopting agile product management and working methods

Talent development
Training business translators, data engineers and data scientists

Collaborative approach
Tranforming systems and processes through AI, emphasising collaboration

Digitalising key operations

Core systems digitalisation
Streamlining operations and reducing manual processes

Platform development
Creating and scaling digital business platforms

Data layer enhancement
Supporting real-time analytics and improving data connectivity

Analytics
Implementing Data and Analytics use cases for value and revenue uplift

Outcomes

Supply chain management
Improve demand planning and resource allocation.

Customer connect & services
Double sales productivity, reduce engagement costs, and expand market share.

Talent and capability building
Foster continuous learning and agile practices.

Data at scale
Ensure high-quality data governance and security.

Key Initiatives

- **Technology integration in operations**

  Advanced analytics, IoT, predictive maintenance, Power BI, RPA, sales force automation.

  Impact
  - Enhanced decision-making,
  - Improved productivity,
  - Operational effectiveness.

- **Supply chain transparency**

  Advanced warehouse management system

  Impact
  - Real-time tracking
  - Operational optimisation
  - Customer satisfaction

- **Process optimisation**

  Industry 4.0 adoption, predictive maintenance, lean manufacturing.

  Impact
  - Reduced downtime,
  - Waste minimisation,
  - Enhanced efficiency.

- **Cybersecurity measures**

  Data loss prevention, hyper-converged infrastructure, vulnerability scanning, strategic backups.

  Impact
  - Increased data security,
  - Optimal uptime,
  - Risk mitigation.

- **Digital financial solutions**

  S/4 HANA migration, Anaplan for budgeting and reporting.

  Impact
  - Improved financial efficiency,
  - Compliance,
  - Innovation in financial management.

Our ability to innovate and think beyond conventional boundaries is powered by a future-focused team.

It is their collective efforts that fulfill our quest to develop future ready solutions, addressing a variety of consumer needs.

Human Capital

At HIL, our pursuit of excellence extends far beyond short-term goals. It revolves around an empowered workforce that is ready to traverse the boundaries of innovative thinking to redesign solutions that truly make a difference to the world of construction and building solutions.

We believe in nurturing an inclusive and diverse work culture, where every employee is given the opportunity to grow and flourish. With strategic talent management initiatives, we promote open communication and shape a truly sustainable future.

Initiative

Zero tolerance for discrimination and harassment

What is it about

Enforcing a strict no-discrimination policy and maintaining a harassment-free work environment.

Initiative

Facilitating open communication

What is it about

Encouraging clear communication through top-down channels, town halls and real-time feedback platforms.

Initiative

UDAAN

What is it about

Providing specialised career development support for managers and high potential employees.

Initiative

JOSH events

What is it about

Conducting over 100 events annually to foster engagement and unity among employees.

Initiative

Attracting and nurturing top talent

What is it about

Focusing on competency-based hiring to attract and retain the best talent in the industry.

Initiative

Yashotsav

What is it about

Recognising and celebrating employee achievements to fuel motivation and inspire excellence.

Initiative

Continuous learning and development

What is it about

Empowering employees with a variety of training programmes, e-learning options and higher education sponsorships.

Building on a strong foundation

1,884
Workforce strength

7 years 6 months
Average tenure of employees

38 years
Average age of employees

17,565
Learning hours for our employees

94
GPTW Trust Index Score

12th rank
India's Best Companies To Work For 2024 by GPTW

Enabling the future by building capability

Functional learning academies
Developing specific skill sets to meet future demands.

DEI interventions
Ensuring diversity, equity, and inclusion in all aspects of the organisation.

Organisational values and cultural attributes
Embedding core values throughout the company.

Employer brand and employee value proposition
Strengthening our market position as an employer of choice.

Synergies and collaboration
Promoting teamwork and unified efforts across all departments.

Culture and mindset reboot
Focusing on consumer-centricity, agility, innovation, growth, and premiumisation to stay competitive.

Advancing Environmental, Social and Governance excellence

Our dedication to ESG principles reflects our relentless efforts to create positive impact on the society while upholding the highest ethical standards and driving long-term value for all stakeholders.

Environment, Social and Governance

Our commitment to a sustainable future is underlined by responsible practices and a shared vision to address emerging risks. With dedicated efforts to minimise our environmental impact, increase social well-being and uphold an effective governance framework, we intend to lay the foundation of a safer, healthier and better tomorrow.

Environment

GRIHA & GreenPro
Certified

46.5%
Renewable energy mix

2576 tonnes
CO_2e emissions mitigated

47,424 kilolitres
Domestic water treated and reused

We prioritise environmental sustainability through energy management and waste reduction practices. By adhering to the 3R principle (reduce, reuse, recycle) and optimising manufacturing processes, we mitigate waste generation and promote eco-friendly practices. Proactive monitoring and compliance with regulations ensure continuous improvement in our environmental performance. Additionally, our emphasis on product innovation focuses on creating sustainable building solutions, which have earned us GRIHA and GreenPro certifications.

Our manufacturing plants do not release any liquid waste onto land or into water bodies, rendering them Zero Liquid Discharge (ZLD) facilities. Additionally, HIL has a robust renewable energy infrastructure, with a combined capacity of 9.35 MW across wind turbine generators situated in Gujarat, Tamil Nadu, and Rajasthan. This powers our operation as well as contributes to the local grid.

Governance

100%
Training on Code of Conduct and POSH awareness

Zero
Events of non-compliances with environment or labour practices

As part of our ESG agenda, we understand the importance of crafting an effective policy framework, maintaining oversight, and embracing global standards and practices to align with diverse ESG elements. We firmly believe that our organisation's true strength lies in our People. Therefore, a robust governance structure is essential for our success. We also remain vigilant about stakeholder concerns and aim to resolve matters efficiently.

The Board of Directors has the following Committees

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration cum Compensation Committee
- Risk Management Committee
- Stakeholders' Relationship Committee

Social

26,600+
Direct beneficiaries

₹4 crore
CSR expenditure

As a responsible corporate citizen, HIL is dedicated to sustainable development, actively contributing to social and economic development initiatives under the themes of health and wellness, education and community development. In addition to our own extensive CSR initiatives, we have partnered with esteemed organisations such as the Live Love Laugh Foundation (LLL), Child Rights and You (CRY), Child Survival India (CSI) and the LV Prasad Eye Institute to maximise the impact of our efforts.

Through these collaborative endeavours, we are breaking stigmas around mental health and menstrual hygiene, addressing rural health needs, supporting children to stay in school, and empowering the underserved to become self-reliant. These initiatives serve as catalysts for prosperity, driving growth, and building a brighter, more equitable future for all.

Positively impacted over 13,500 lives through mental wellbeing initiatives

Live Love Laugh - rural mental health program

4,553
Direct beneficiaries

9,106
Indirect beneficiaries (caregivers)

Our rural mental health program, in partnership with the LLL Foundation, has led to significant improvements in the lives of thousands of individuals. Beneficiaries have improved their mental well-being and become self-sufficient, achieving not just financial independence in many cases but also becoming active members of their communities. This positive transformation extends to their families as well, who now have a happier environment at their homes. Our initiative offers comprehensive psychiatric treatment, rehabilitation, and mental health awareness in rural areas across six locations in India.

Improved menstrual hygiene management and awareness

Menstrual health initiative at Chennai

1,002
Adolescent girls benefitted

Our menstrual health initiative at the Chennai plant, conducted in partnership with Child Survival India, addresses menstrual health and hygiene among adolescent girls. This initiative focuses on breaking cultural taboos associated with menstruation through proper education and the distribution of menstrual hygiene kits. The participants are now more aware about the nutrition requirements and personal hygiene regime.

Healthcare access for vulnerable populations enabling early detection of diseases

Mobile medical unit at Chennai

1,447
Direct beneficiaries

The mobile medical unit, in partnership with Child Survival India, aims to improve health and wellbeing in underserved rural areas by offering free, high-quality healthcare services. This includes mobile outpatient departments, free medication, and health awareness sessions, enabling early detection of medical conditions, saving precious lives.

Increased school retention rates and enhanced digital literacy

Education initiatives by Child Rights and You (CRY)

3,770
Students benefitted

Our education projects, in partnership with Child Rights and You in Hyderabad and Chennai, have significantly increased student retention in schools. By mainstreaming dropouts and supporting exam preparation, we have achieved over 90% retention rates. Our digital centres and life skills training equip students for the future, while our sports programs have led to several beneficiaries excelling at district and zonal levels.

Enhanced vision health and accessibility to eye care services

Eye care initiatives by LV Prasad Eye Institute

4,349
Total beneficiaries

Our eye care projects in Hyderabad and Bhubaneswar, in partnership with LV Prasad Eye Institute, offer free eye examinations and surgeries to children and economically disadvantaged patients. The initiative has provided life-changing opportunities for those at risk of losing their sight, increasing their employability and empowering them to lead fulfilling lives.

Board of Directors

CK Birla
Chairman

CK Birla is the Chairman and Non-Executive Director of the Company. He is the Chairman of a number of companies in CK Birla Group. The Group operates in three industry clusters: technology & automotive, home & building solutions and healthcare & education. He is a keen philanthropist committed for social development in India, advancement of science and technology, art and culture.

Amita Birla
Non-executive Director
(appointed w.e.f. April 1, 2024)

Amita Birla is the Co-Chairman of the $3 billion CK Birla Group and the Founder and Chairman of Birlasoft Limited, a leading global technology organisation with a market capitalisation of $1.79 billion. Birlasoft operates across the manufacturing, banking and financial services, insurance, energy and healthcare domains.

In addition to managing the CK Birla Group businesses with her husband CK Birla, Amita ensures a focused eye on new age technologies, emerging opportunities and of particular importance: the healthcare vertical of the Group. Through their family foundations, Amita and CK are both committed philanthropists who are deeply involved with notable schools, a University, galleries, science museums, planetaria and healthcare.

Desh Deepak Khetrapal
Non-executive Director

Deepak is a seasoned executive with nearly 5 decades of experience, leading companies through transformation and growth. His leadership spans sectors including services, manufacturing, consumer and retail businesses. For more than a decade, Deepak has been an integral part of the CK Birla Group, where he has played pivotal roles in driving strategic initiatives and nurturing growth opportunities. Currently he is the Managing Director & CEO at Orient Cement Limited and his previous positions include Vice Chairman & Managing Director at Orient Electric Limited, Group Chief Executive Officer of Jumbo Group of Companies and Whole time Director/Group COO at Raymond Limited. He continues to exemplify visionary leadership and strategic acumen.

Deepak holds an Honours degree in Business and Economics from Shri Ram College of Commerce and an MBA degree from Faculty of Management Studies, Delhi University. He has been a passionate advocate for sustainability and trusteeship principles, much before ESG became a buzzword.

Sunil Bhumralkar
Independent Director
(appointed w.e.f. March 18, 2024)

Sunil, a commerce graduate from Pune University and a fellow member of the Institute of Chartered Accountants of India (ICAI), has over 38 years of professional experience, notably with S R Batliboi & Associates LLP, a member firm of EY in India. He has demonstrated expertise in auditing and assurance services. His leadership role, heading assurance for South India, and participation in the audit and firm's leadership team highlight his managerial prowess. Sunil's extensive involvement in audits of large multinational and Indian companies across diverse sectors and his deep knowledge of Indian GAAP/IND AS, corporate governance, internal financial controls and relevant regulatory requirements underscores his versality and enhances his value as a trusted advisor. Active contributions to professional bodies such as the ICAI demonstrate his commitment to professional standards and sharing knowledge. Post-retirement, Sunil continues to serve as a mentor and advisor, leveraging his multifaceted background in auditing and advisory services.

Arvind Sahay
Independent Director

Dr. Sahay has proven expertise in marketing strategy, pricing, neuroscience and consumer behaviour, brand management, high tech marketing, international trade and investment. He is a faculty at IIM-A and has also been previously associated with London Business School. Dr. Sahay is an alumnus of IIT-Kanpur and IIM Ahmedabad. He also holds a PhD degree from the University of Texas-Austin. Dr. Sahay is the recipient of the 'University Wide Outstanding Dissertation Award' from the University of Texas, Austin, the 'Innovation in Teaching Award' from London Business School and 'UTV Bloomberg Best Marketing Professor in India' award amongst others. Dr. Sahay was also nominated for the 'Thinkers50' India list by the Institute of Competitiveness, Harvard Business School.

Janat Shah
Independent Director
(appointed w.e.f. May 7, 2024)

Prof. Janat Shah's career showcases a deep commitment to academia, particularly in Operations Management. From a mechanical engineer at IIT Mumbai to a fellow in management from IIM Ahmedabad, his journey underscores dedication to learning. With nearly two decades at IIM Bangalore and as founding director at IIM Udaipur, he's shaped academic landscapes. His book on Supply Chain Management is widely used and his global standing is solidified through affiliations with Nottingham University. Prof. Shah's impact extends beyond academia to consulting in the corporate world, where his ability to bridge theory and practice is highly valued.

Board of Directors

Nidhi Killawala
Independent Director
(appointed w.e.f. April 1, 2024)

Nidhi's background from the esteemed National Law School of India University, Bangalore, along with her role as a Partner in the Corporate and Commercial practice group of Khaitan & Co. LLP, showcases her exceptional expertise in law. Specializing in corporate transactions such as mergers, acquisitions and venture capital, she is known for navigating complex legal terrains. Her extensive experience, advising global tech companies, demonstrates her understanding of the sector's nuances.

Nidhi has been instrumental in major financing rounds and M&A deals in India, earning recognition as a "Recommended Lawyer" by publications such as Legal 500 and Chambers, Asia-Pacific. Her involvement in cross-border transactions underscores her ability to navigate international legal frameworks. As outside counsel to India's tech leaders, she's a trusted advisor, contributing significantly to the country's legal landscape.

VV Ranganathan
Independent Director
(ceased w.e.f. March 19, 2024)

VV Ranganathan is an accomplished finance professional with over forty years of variegated experience in India and overseas. He graduated in commerce with a gold medal and qualified as a Chartered Accountant and was later admitted as a fellow member of the Institute of Chartered Accountants of India. He was also enrolled as a member of other professional bodies during his service tenure. He was a Senior Partner and Country Head for Quality & Risk Management and served on the governing board of one of the leading big four global services firms.

He is a member of the International Council for Commercial Arbitration based at The Hague and is actively involved in successfully resolving large commercial disputes with substantial stakes in the infrastructure industry.

Gauri Rasgotra
Independent Director
(ceased w.e.f. May 8, 2024)

Gauri Rasgotra has a rare combination of advisory and litigation experience of 30 years in both academic and corporate settings. She has managed litigation for landmark cases. She worked in the US at the George Washington University Law School in Washington D.C, where she was selected to be the first Director of the school's newly established India Studies Centre between 2007 & 2009. Ms. Gauri is an independent director on the Boards of two prominent public listed companies in India. She is a member of the ICC India Arbitration Group and the ICC India nominee on the ICC Commission on Arbitration and ADR. She is also a member of SIAC Users Council – India. Ms. Gauri has been recognized as one of the Asia's Top 15 Litigators by Asian Legal Business. She has been recognized as 'Litigation Star' by Benchmark Litigation and also recognized as 'Distinguished Practitioner' by AsiaLaw. She is currently running her own private practice.

Akshat Seth
Managing Director & Chief Executive Officer

Akshat has nearly two decades of proven track record of scaling up and transforming businesses and building high performing teams. His sharp, strategic mindset and an eye for operational excellence has helped him create and unlock value across multiple industry segments in India, Europe and the Middle east.

Akshat joined the CK Birla Group in 2014 and most recently was the CEO of CK Birla Healthcare where he led the conceptualization and scale up of a new brand of hospitals and a new chain of fertility clinics. He is also on the governing council of the Group's Trust Hospitals. Prior to that he was the Head of the Office of Growth and Strategy at Group office.

Akshat is a former management consultant with Kearney. He is a Chemical Engineer from IIT Delhi and an MBA from IIM Calcutta.

Awards and Achievements


Best Companies To Work For
THE ECONOMIC TIMES

HIL Limited – A CK Birla Group Company

Rank 12

*For inspiring **trust** among your people, instilling **pride** in them, creating an environment that promotes **camaraderie**, and delivering a great workplace experience **for all** your employees that make your organization one of **India's Best Companies To Work For**.*

Balbir Singh
Chief Executive Officer
Great Place To Work® India

Partha Sinha
President Response
Bennett, Coleman & Co. Ltd.

Great Place To Work.

THE ECONOMIC TIMES

Corporate Information

Board of Directors

CK Birla
Chairman

Amita Birla
Non-Executive Director
(appointed w.e.f. April 1, 2024)

Desh Deepak Khetrapal
Non-Executive Director

Sunil Bhumralkar
Independent Director
(appointed w.e.f. March 18, 2024)

Arvind Sahay
Independent Director

Janat Shah
Independent Director
(appointed w.e.f. May 7, 2024)

Nidhi Killawala
Independent Director
(appointed w.e.f. April 1, 2024)

VV Ranganathan
Independent Director
(ceased w.e.f. March 19, 2024)

Gauri Rasgotra
Independent Director
(ceased w.e.f. May 8, 2024)

Akshat Seth
Managing Director & CEO

Key Managerial Personnel

Ajay Kapadia
Chief Financial Officer
(w.e.f. July 24, 2023)

Nidhi Bisaria
Company Secretary &
Compliance Officer
(w.e.f. September 2, 2023)

Saikat Mukhopadhyay
Chief Financial Officer
(till July 23, 2023)

Kamal Saboo
Company Secretary & Head Legal
(w.e.f. July 15, 2023 till
September 1, 2023)

Bankers

HDFC Bank Limited
HSBC Limited
Kotak Mahindra Bank Limited
Federal Bank Limited
ICICI Bank Limited

Statutory Auditors

B S R and Co
Chartered Accountants

Secretarial Auditors

Ranjeet Pandey & Associates
Company Secretaries

Cost Auditors

S.S. Zanwar & Associates
Cost Accountants

Registrar & Share Transfer Agent

M/s. Venture Capital and Corporate Investments Pvt. Ltd.
"AURUM", 4th & 5th Floors,
Plot No.57, Jayabheri Enclave
Phase – II, Gachibowli,
Hyderabad – 500032
Phone: 040-23818475/76
Email id: info@vccipl.com
Website: www.vccipl.com

Registered Office Address

Office No. 1 & 2, 7th Floor,
SLN Terminus, Near Botanical
Garden, Gachibowli,
Hyderabad-500032, Telangana, India
Phone: 040-6824 9000
Email Id: info@hil.in, cs@hil.in
Website: https://hil.in

Corporate Office Address

6th Floor, Birla Tower,
25, Barakhamba Road,
New Delhi, 110 001, India

Corporate Identification Number

L74999TG1955PLC000656

Statutory Reports & Financial Statements

Board's Report

Dear Members,

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

SUMMARY OF FINANCIAL PERFORMANCE

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

(₹ in crore)

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

FINANCIAL PERFORMANCE

REVENUE

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

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

INTEREST & LOANS

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

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

As on March 31, 2024, the Company has outstanding borrowings of ₹ 313.10 crore on standalone basis and ₹ 547.82 crore on consolidated basis. The debt equity ratio on consolidated basis stood at 0.44 times as of March 31, 2024 as against 0.33 times as of March 31, 2023.

PROFIT BEFORE TAX

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

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

NET WORTH

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

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

BUSINESS PERFORMANCE

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

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

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

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

ROOFING SOLUTIONS

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

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

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

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

BUILDING SOLUTIONS

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

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

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

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

POLYMER SOLUTIONS

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

Birla HIL Pipes

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

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

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

Birla HIL Putty and Construction Chemicals

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

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

FLOORING SOLUTIONS

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

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

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

AWARDS & RECOGNITION

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

Super Brand Award 2023

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

The Economic Times Best Brands

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

Brand of the Year by Realty+

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

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

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

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

Sustainable Organisations 2023

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

Great Place to Work, 2024

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

- Great Place To Work®, India; re-certified from March 2024 to March 2025
- Top 25 | India's Best Workplaces™ in Manufacturing 2024
- Top 50 I 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 WorkplacesTM 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:

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

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:

a. Issue of equity shares with differential rights as to dividend, voting or otherwise.

b. Issues of sweat equity shares.

c. 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

CK Birla
Chairman
DIN: 00118473

Place: New Delhi
Date: May 7, 2024

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 Khetrapal	Chairman, Non-Executive Director	4	4
2	Mr. VV Ranganathan (till March 18, 2024)	Member, Independent Director	4	4
3	Ms. Gauri Rasgotra	Member, Independent Director	4	2
4	Mr. Sunil Bhumralkar (w.e.f. March 28, 2024)	Member, Independent Director	NA	NA
5	Mr. Akshat Seth (w.e.f. March 28, 2024)	Member, Managing Director & CEO	NA	NA

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

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

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

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

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

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

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

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

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

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

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

(b) **Amount spent in administrative overheads:** Nil

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Place: New Delhi
Date: May 7, 2024

Desh Deepak Khetrapal
Chairman of CSR Committee
DIN: 02362633

CK Birla
Chairman of Board
DIN: 00118473

Annexure - II

Details of Related Party Transactions

Form No. AOC-2

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

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

1. 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.
2. 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	• 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 • 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 • Considered in Consolidation • Not Considered in Consolidation	Refer note no. 53 to consolidated notes to Accounts	₹ (58.33) lakh

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. 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:

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

Notes:

a. 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.

b. % increase of remuneration for the financial year 2023-24 could not be provided as the Director/officials were appointed/ceased during the financial year.

c. 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

CK Birla
Chairman
DIN: 00118473

Place: New Delhi
Date: May 7, 2024

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 (m^3) 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

CK Birla
Chairman
DIN: 00118473

Place: New Delhi
Date: May 7, 2024

Management Discussion and Analysis

Economic Overview

Global economy

According to IMF's projections, growth for 2024 and 2025 will hold steady at around 3.2%, with median headline inflation declining from 2.8% at the end of 2024 to 2.4% at the end of 2025.[1] Most indicators point to a soft landing.Geopolitical tensions continue to disrupt supply chains leading to a decline in international trade and climate change is pressuring all countries to radically alter their growth strategies and policies.

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

Indian economy

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

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

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

Infrastructure industry

Infrastructure is a key enabler in helping India become a USD 26 trillion economy.[2] The infrastructure sector acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like, housing, built-up infrastructure, and construction development projects. The budget for infrastructure-related ministries during the year increased significantly to ₹ 5 lakh crore[3] resulting in increased private sector investment. In addition, over the last few years, several infrastructure-related initiatives such as the National Infrastructure Pipeline and the National Monetization Pipeline have been launched to drive increased investments in the sector.

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

Real estate industry

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

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

Industry Overview

[1] https://www.worldbank.org/en/publication/wdr2024

[2] https://www.ibef.org/industry/infrastructure-sector-india

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

[4] https://www.ibef.org/industry/infrastructure-sector-india).

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

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

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

As per recent industry estimates (CREDAI), there will be additional housing demand of nearly seven crore by 2030. The real estate sector is expected to reach a market size of USD 1.3 trillion by FY34 and USD 5.17 trillion by FY47. Factors such as stable mortgage rates, improving affordability, and a strong emphasis on homeownership are expected to continue to drive growth in the sector over the near to mid-term. These elements collectively foster a positive sentiment within the sector, indicating robust growth and investment over the coming years.

Fibre cement roofing industry

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

Benefits of using fibre cement roofings

- Fibre cement roofing is resistant to rot, mold, fire, and chemical damage, ensuring robust long-term performance without rusting or cracking.
- Requires only occasional cleaning, fibre cement sheets remain functional and aesthetically pleasing with minimal effort.
- The installation of fibre cement roofing improves air quality and flow, crucial for buildings that house livestock or when used for agriculture.
- They are lightweight, available in large sizes and are easy to handle and install, reducing labour time and costs.

Growth drivers of the Indian cement roofing industry

Government stimulus for the rural sector

For the fiscal year 2025, the Government of India has raised the budget allocation for rural development to ₹1.77 lakh crore, marking a ~13% increase from the previous year's allocation of ₹1.57 lakh crore[7]. In addition, the interim budget has outlined several other initiatives for rural development such as increased allocation to Pradhan Mantri Awaas Yojana Gramin (PMAYG) and Deendayal Antyodaya Yojana- National Rural Livelihoods Mission (DAY-NRLM) which are likely to provide a strong boost to the roofing industry.

Growth in auxiliary sectors

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

Growth in rural economy

Above normal monsoon expectations (IMD) this year and potential revival in rural economy[8] driven by various Government incentives is likely to bode well for the Company's roofing business.

Pipes & fittings industry

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

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

[7]https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2001136

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

Flooring industry

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

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

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

Company overview

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

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

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

Key Strengths:

- **Strong value system and parentage:** HIL is a flagship Company of CK Birla Group, a Company built on a legacy of trust. With over 75 years of rich experience, the Company's products are synonymous with quality and innovation.

- **Established leading brands:** The Company has established leading brands such as Charminar, Birla Aerocon, Parador, and Birla-HIL, which are all well-known and amongst the market leaders in their respective product segments. These brands have received several awards over the years. Additionally, with the acquisition of Topline, HIL has further enhanced its brand strength in pipes and fittings in several key markets.

- **Diverse product portfolio:** HIL is a comprehensive building material solutions provider with products ranging from roofing, walling, flooring, construction chemicals and polymer solutions. The Company's product portfolio is continuously evolving to keep pace with consumer needs and is in strict compliance with regulatory norms.

- **Experienced and committed teams:** One of the Company's key strengths is its committed and dedicated workforce, which drives its success. Being certified as a Great Place to Work in India for six consecutive years is a testament to the pride and sense of belonging among its employees.

- **Manufacturing prowess:** HIL is one of the few home and building materials companies in India with a truly multi-location footprint. The Company operates 30 manufacturing facilities across 13 locations in India and 2 facilities in Europe. Lean Six Sigma practices, Industry 4.0, and business intelligence tools have been implemented across these manufacturing locations, helping to deliver industry-leading efficiencies.

- **Deep sales and distribution network:** HIL has an extensive network of over 40 depots and more than 8,000 stockists and distributors across India. The roofing business enjoys an industry-leading 60% tehsil penetration in the country. Additionally, the flooring business has a strong international presence in over 80 countries around the globe.

- **Innovation and R&D:** HIL is committed to developing and introducing the best quality, sustainable, and eco-friendly products with a focus on meeting customer needs while ensuring business profitability.

- **Governance:** Corporate governance, transparent business practices, and ethical values are the cornerstones of the Company's daily business operations.

Strategic acquisition to drive future growth

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

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

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

Product portfolio

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

ROOFING SOLUTIONS

- 'Charminar' Fibre Cement Sheets
- 'Charminar Fortune' Next Gen Eco-Friendly Roofing Sheets
- 'Charminar +' Coloured Fibre Cement Sheets

BUILDING SOLUTIONS

Drywalls

- Solid Wall Panels
- C- Boards
- Flex-O-Boards
- SmartBond
- Designer Board

Wet wall

- AAC Blocks

POLYMER SOLUTIONS

Pipes & Fittings

- UPVC Pipes and fittings
- cPVC Pipes and fittings
- SWR Pipes and fittings
- Column Pipes
- Pressure Pipes
- Foamcore pipes
- HDPE, MDPE, PPR and Casing Pipes & Fittings
- Water Tanks

WALL PUTTY & CONSTRUCTION CHEMICALS

- Wall care Putty
- Gypsum Plaster
- Water Proofing Solution
- Tile Adhesive
- Primers & Stainers
- Distemper
- Block Jointing Mortar

FLOORING SOLUTIONS

- Engineered Wood Flooring
- Laminate Flooring
- Resilient Flooring
    - LVT
    - ModularOne
    - SPC
- Skirting, Wall & Ceiling Panel and Accessories

1. Roofing Solutions

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

CHARMINAR

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

CHARMINAR Fortune

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

2. Building Solutions

BIRLA AEROCON

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

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

3. Polymer Solutions

BIRLA HIL Pipes

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

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

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

TOPLINE

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

BIRLA HIL Putty

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

BIRLA HIL Construction Chemicals

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

4. Flooring Solutions

PARADOR

Parador is a leading global interior brand with primary operations across Europe. The Brand is known for its design leadership and "Made in Germany" quality as well as for its consistent innovation and industry-leading approach to sustainability and environmental stewardship. The flooring product portfolio includes engineered wood, laminate, luxury vinyl tiles and eco-friendly non-PVC resilient products. Parador sells in over 80 countries across the world and provides products for both residential and commercial channels.

Renewable energy

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

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

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

Innovation and R&D

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

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

Technology and digitalization

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

To streamline its operations, the Company has implemented sensor-based, data capturing and analytics to anticipate equipment failures, thereby minimising downtime and optimising asset performance. This implementation also enables real-time access to key performance indicators and facilitates sound data-driven decisions

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

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

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

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

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

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

Business and financial performance

HIL achieved a net revenue from operations of ₹ 2,230.85 crore as against ₹ 2,155.20 crore in the previous year on a standalone basis, an increase of 3.5% and on a consolidated basis, registered a net revenue from operation of ₹ 3,374.97 crore as against ₹ 3,478.96 crore in the previous year recording a marginal decline of 3%. During the year under review, HIL registered profit before tax (PBT) of ₹ 95.82 crore before profit from exceptional items, on standalone basis as against ₹ 163.68 crore in the previous year, recording a decline of 41% mainly due to pricing pressure emanating from intensifying competition in all categories and increase in cost of raw material viz. fibre, cement and volatility in resin prices. Profit before tax on a consolidated basis for the financial year 2023-24 stood at ₹ 35.54 crore as against ₹ 116.73 crore in the previous year, recording a decline of 70% due to poor market demand.

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

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

Key financial ratios

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

(All numbers on standalone basis)

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

Environment, health and safety

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

The EHS systems are being digitalised to report, track, and implement action plans in real time. Current and emerging environmental protection legislation and other areas of concern across the value chain are proactively monitored. HIL strives to achieve 'zero waste to landfill' in its direct operations. An Air Quality Management Standard has been established to define minimum requirements and best management practices, ensuring each applicable facility complies with air regulations. The Company generates no process wastewater, and all water used in operations is recycled.

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

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

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

Human resources

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

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

HIL's flagship employee engagement initiative, JOSH, enhances collaboration through a variety of engaging programs, including festive celebrations, sports events, healthcare activities, and cultural nights with family events. These initiatives aim to cultivate a vibrant and supportive work environment. All employee rewards and recognition activities have been consolidated under the umbrella program called "Yashotsav" to acknowledge and incentivise employees across locations.

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

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

Risk management

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

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

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

Risks	Significance and meaning	Mitigation
Technology Risks	Failure to adopt cutting-edge technology by HIL will undermine its operational efficiency and customer satisfaction, hindering the Company's growth.	HIL's manufacturing facilities are equipped with advanced infrastructure and technologies that ensure the protection of its IT infrastructure and ensure seamless operations. Over the years there has been significant investment in digitalisation / Industry 4.0 deployment at our plants. HIL's digital infrastructure is poised to counter any external cyber security threats and ensure business continuity.
Quality Risks	Failure to maintain product quality and adhere to relevant quality standards may have a damaging effect on HIL's reputation as well as its financial position.	HIL follows strict quality control processes which ensures that only quality certified products are delivered to customers. HIL is accredited by leading industry bodies for its product quality certification processes.
Environment Risks	Increasing focus towards environmental protection also implies that any failure on behalf of HIL towards protecting the environment can hamper its reputation and growth.	HIL has well-managed environmental management programs to address workplace environment as well as environmental impacts. Processes and equipment to optimise energy consumption, a balanced ecological footprint, zero effluents & emissions, have been put in place and there is an increased focus on green product development. HIL has a defined ESG road map in place for all its factories and business operations. The road map is in sync with the Vision and Mission of HIL and budgets with respect to ESG are in place and monitored for timely execution. *Details are available in Section B of BRSR.*
Climate Change Risk	India's extreme weather conditions, especially heavy rain, can risk HIL's operation, specifically the Company's roofing solution.	All factories in HIL have adequate infrastructure to weather climate change risk. In addition, HIL has developed and established a Business Continuity Plan (BCP) which also encompasses disaster recovery. *Details are available in BRSR Principle 2 and Principle 6.*
Health and Safety Risks	The workforce contributes extensively to the growth of the Company. Not contributing towards their health and safety can reflect a negative working environment of the Company.	HIL has a well-established EHS framework in place. Processes and equipment to ensure robust safety training and periodical health check-ups of its employees have been established in place. The Company has invested in infrastructure to ensure incident-free working environment and mitigate occupational hazards. *Details are available in BRSR, Principle 3.*
Human Capital Risk (Talent Management)	Given HIL's market leadership in majority of its products, attrition is a key risk. Competition and other local companies are keen to hire HIL resources.	▸ HIL has continuously been awarded GPTW 6th Year in a row and is key employer of choice in its segments ▸ HIL has not only filled up all key senior leadership positions but also introduced succession planning, leadership training and individual development plan for its employees. ▸ Apart from tying up with top ranking educational institutions for scaling up skills of its employees, HIL has also embarked on employee engagement programs and brand building initiatives to curtail attrition and ensure retention of its top performing resources.

Internal control systems and their adequacy

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

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

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

Ernst & Young (E&Y) is the Internal Audit (IA) partner. With standard risk coverage, all critical business processes are thoroughly examined to understand the operations relevant to HIL's business. The use of tools for data analytics remains an important component of the audit review. Also, HIL has an internal audit department staffed by qualified professionals who plan, conduct, coordinate and monitor audit activities and follow up on compliance and specific actions identified.

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

Cautionary statement

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

For and on behalf of the Board of Directors
HIL Limited

CK Birla
Chairman
DIN: 00118473

Place: New Delhi
Date: May 7, 2024

Corporate Governance Report

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

CORPORATE GOVERNANCE PHILOSOPHY

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

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

Key elements of Corporate Governance include shareholders' rights, transparency, disclosure, internal controls, risk management, ethical behaviour, internal and external communications, high standards of safety, health, environment, accounting fidelity, product & service quality, stakeholder engagement and compliance. The Board has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review processes/mechanisms to achieve the said purpose. The Company continuously strives to achieve excellence in corporate governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

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

BOARD OF DIRECTORS

(a) Composition and other related matters:

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

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

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

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

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

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

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

Notes:

(1) Excludes Directorships/Chairpersonships in private limited companies, foreign companies, companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships.

(2) Represents Chairpersonships/Memberships of Audit and Stakeholders Relationship Committees in all public limited companies as required under Regulation 26(1)(b) of SEBI Listing Regulations.

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

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

Declarations:

- The composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations.
- There is no relationship between the directors, inter se.
- None of the Directors on the Board are directors in more than seven listed companies as required under Regulation 17A of SEBI Listing Regulations.
- None of the Independent Directors are serving as an independent director in more than seven listed entities as required under Regulation 17A of SEBI Listing Regulations.
- None of the Independent Directors are Managing Director or Whole Time Director on other listed entities as required under Regulation 17 of SEBI Listing Regulations.
- Independent Director means a Director as defined under Regulation 16 of the SEBI Listing Regulations and Section 149 of the Act and all the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulations 16(1)(b) and 25 of the SEBI Listing Regulations and Section 149(6) of the Act. In opinion of the Board, all the Independent Directors fulfils the conditions specified under SEBI Listing Regulations and the Act and are independent of the management.
- None of the Directors on the Board is a member of more than ten (10) committees and Chairman of more than five (5) committees across all the companies in which he/she is a Director as required under Regulation 26 of SEBI Listing Regulations.
- Except Mr. CK Birla, who holds 51,376 equity shares representing 0.68%, none of the other Non-executive Directors holds, directly or indirectly, shares or control in the Company.

- During the financial year 2023-24, information as specified in Part A of Schedule II to the Regulations such as annual operating plans and budgets, capital budgets, financial results of the Company, foreign currency exposures on quarterly basis and such other information as and when applicable were placed before the Board for its consideration.
- The senior management personnel confirmed that they don't have any personal interest in respect of any material financial and commercial transactions entered into by the Company, which may have a potential conflict with the interest of the Company at large.
- The maximum tenure of independent directors is in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder read with Regulation 25 of SEBI Listing Regulations.
- The Company has suitable Directors & Officers Insurance Policy obtained with adequate coverage and complies the requirement of Regulation 25(10) of SEBI Listing Regulations.
- A formal letter of appointment is issued to all Independent Directors, a specimen of which is been placed on the Company's website **https://hil.in/investor-relations/letter-of-appointments-terms-of-independent-director/**. Details of Directors along with their profile are forming part of 77th Annual Report.

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

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

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

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

(b) Board Meetings and Procedures:

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

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

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

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

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

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

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

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

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

(c) Independent Directors:

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

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

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

(b) Review the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors

(c) Assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

(d) Board Induction, Training and Familiarisation:

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

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

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

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

(e) Performance of the Board and evaluation:

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

- The performance evaluation was done using structured evaluation forms, as recommended by the Nomination and Remuneration cum Compensation Committee covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance which were circulated to all the members of the Board along with the agenda papers for evaluation of the performance of the Board, its Committees and its Directors. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated.
- The members of the Board evaluated the performance by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally be submitted to the Chairman at the concerned meeting. Evaluation of individual director's performance is based on various parameters like director's profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.
- Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board/Committee/Individual Director and formulated a final collective evaluation of the Board. The Board also provided individual feedback to the concerned Director on areas of improvement, if any.

COMMITTEES OF DIRECTORS

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

(a) Audit Committee

Composition and Meetings:

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

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

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

Primarily, the Audit Committee is responsible for:

1. Overseeing the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible.

2. Recommending to the Board, appointment, re-appointment, remuneration and terms of appointment of Auditors of the Company.

3. Approval of payment to Statutory Auditors for any other services rendered by them.

4. Examining and reviewing with the Management, the financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:

   (a) Matters required to be included in the Director's Responsibility Statement which is to be included in the Board's Report in terms of section 134(3)(c) of the Companies Act, 2013.

   (b) Changes, if any, in accounting policies and practices and reasons for the same.

   (c) Major accounting entries involving estimates based on the exercise of judgment by the Management.

   (d) Significant adjustments made in the financial statements arising out of audit findings.

   (e) Compliance with listing and other legal requirements relating to financial statements.

   (f) Disclosure of any related party transactions.

   (g) Modified opinions in draft audit reports.

5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency tracking the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing and monitoring the Auditor's independence and performance and effectiveness of the audit process.

8. Approval or any subsequent modification of transactions of the Company with related parties.

9. Scrutiny of inter-corporate loans and investments.

10. Valuation of undertakings or assets of the Company, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems.

12. Reviewing with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems.

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

14. Discussion with Internal Auditors on any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.

16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area(s) of concern.

17. Looking into the reasons of substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

18. Reviewing the functioning of vigil mechanism.

19. Approval of appointment of Chief Financial Officer (i.e., whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments as on the date of coming into force of this provision.

21. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., of the listed entity and its shareholders.

22. Reviewing of Management Discussion and Analysis of financial condition and results of operations.

23. Reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors.

24. Reviewing internal audit reports relating to internal control weaknesses.

25. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor..

26. Reviewing the statement of deviations:

    (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and 32(7) of SEBI Listing Regulations.

    (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

27. All such acts as may be specified by the Board from time to time.

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

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

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

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

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

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

(b) Nomination and Remuneration cum Compensation Committee

i. Composition and Meetings

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

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

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

in senior management in accordance with the criteria laid down.

2. Recommending to the Board, appointment and removal of directors and senior management.

3. Recommending to the Board, whether to extend or continue the term(s) of appointment of the independent director, based on the report of the performance evaluation of independent directors.

4. Formulating the criteria for evaluation of independent directors and the Board and carrying out evaluation of every director's performance.

5. Formulating the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

6. Devising a policy on Board diversity.

7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

8. Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the roles and capabilities required on every appointment of an independent director. The candidate recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

    (a) use the services of external agencies, if required.

    (b) consider candidates from a wide range of backgrounds, having due regard to diversity.

    (c) consider the time commitments of the candidates.

9. To do such act(s) as specifically prescribed by the Board.

10. Carrying out functions, and is empowered to act, in terms of Companies Act, 2013, read with rules framed thereunder and SEBI Listing Regulations including any amendment or modification thereof.

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

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

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

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

ii. **Nomination, Remuneration & Evaluation Policy**

The Nomination and Remuneration cum Compensation Committee and the Board of Directors have devised a Nomination, Remuneration & Evaluation Policy (**"Remuneration Policy"**) of the Company to create a high-performance culture. It enables the Company to attract, retain and motivate Directors on the Board, Key Managerial Personnel and the Senior Management Team. HIL's business model promotes customer centricity and requires employee mobility to address various project needs. The Remuneration Policy supports such mobility through appropriate pay models that are at par with industry standards.

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

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

The key objectives of this Policy include:

a. Guiding the Board of Directors in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

b. Specifying the manner for effective evaluation of the performance of members of the Board, the Board as a whole and Committees thereof, and review its implementation and compliance.

c. Recommending to the Board the remuneration, in whatever form, payable to the Directors, Key Managerial Personnel and Senior Management Personnel.

iii. Succession Planning

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

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

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

iv. Criteria for selection of Directors

- The Nomination and Remuneration cum Compensation Committee identifies and ascertains the integrity, qualification, expertise and experience of the candidate for appointment as a director and ensures the same.

- The Nomination and Remuneration cum Compensation Committee ensures that the candidate proposed for appointment as director, is compliant with the provisions of the Act and of the SEBI Listing Regulations.

- The candidate's appointment as recommended by the Nomination and Remuneration cum Compensation Committee requires the approval of the Board.

- In case of appointment of Independent Directors, the Nomination and Remuneration cum Compensation Committee satisfies itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.

- The Nomination and Remuneration cum Compensation Committee ensures that the candidate identified for appointment as a director is not disqualified for appointment under section 164 of the Act or by any order of SEBI or any other regulatory authority.

(c) Stakeholders' Relationship Committee:

i. Composition and Meetings

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

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

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

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

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

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

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

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

ii. Compliance Officer

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

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

iii. Status of Investor Complaints

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

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

(d) Corporate Social Responsibility (CSR) Committee:

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

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

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

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

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

(e) Risk Management Committee:

i. Composition and Meetings

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

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

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

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

- To formulate a detailed risk management policy which shall include:

  a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks) information, cyber security risks or any other risk as may be determined by the Committee;

  b. Measures for risk mitigation including systems and processes for internal control of identified risks;

  c. Business continuity plan

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the RMC.
- The RMC shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

REMUNERATION OF DIRECTORS

Remuneration of Managing Director & CEO

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

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

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

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

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

Remuneration of Non-Executive Directors

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

(₹ in lakh)

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

Notes:

a. The Members of the Company at the Annual General Meeting held on July 28, 2016 approved payment of remuneration in the form of commission to Non-Executive Directors of the Company for each financial year commencing from April 01, 2016. All the Non-Executive Directors are eligible to receive commission up to an aggregate amount of 1% of net profits as calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, as recommended by Nomination and Remuneration cum Compensation Committee and approved by the Board in accordance with the provisions of section 197 of the Companies Act, 2013, in addition to the sitting fees.

b. Sitting fee is paid to the Non-executive Directors for attending the Board Meetings, Audit Committee Meetings, Stakeholders' Relationship Committee Meetings, Corporate Social Responsibility Committee Meetings, Nomination and Remuneration cum Compensation Committee Meetings and Risk Management Committee Meetings.

c. The Executive Director is employee of the Company and is subject to service conditions as per the Company's policy. There is no separate provision for payment of severance fees.

d. As on March 31, 2024, none of the Independent Directors hold stock options or shares of the Company.

e. The Non-Executive Independent Directors on the Company's Board, apart from receiving sitting fees and commission, if any, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries or associate companies.

f. Details of the Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting, as required under Regulation 36 of SEBI Listing Regulations are provided in the Notice convening 77th Annual General Meeting.

g. Mr. VV Ranganathan, member of the Stakeholders' Relationship Committee was present at 76th Annual General Meeting of the Company held on July 31, 2023.

h. Criteria for making payment to Non-Executive Directors: The criteria of making payment to the Non-Executive directors is based on the varied roles played by them towards the Company. It is not just restricted to corporate governance or performance of the Company, but they also bring along with them significant professional expertise and rich experience across the wide spectrum of functional areas. There are no payments made to Non-Executive Directors apart from sitting fee, remuneration in the form of commission and reimbursements of expenses, if any for attending the meetings of the Company.

i. A disclosure on Employee Stock Options, issue price, holding of ESOPs by KMPs, details of exercise, vesting, etc., is provided on website of the Company at **https://hil.in/investor-relations/**.

SENIOR MANAGEMENT PERSONNEL

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

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

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

SUBSIDIARY COMPANY

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

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

a. Quarterly updates on the business and financial performance of the Material Subsidiary is presented by the Managing Director & CEO to the Audit Committee and the Board of the Company.

b. Review of financial statements, investments made by the subsidiary.

c. Statement of all significant transactions and arrangements entered into by the subsidiaries.

d. Compliance certificates as required.

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

GENERAL BODY MEETINGS

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

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

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

In the Annual General Meeting held on July 31, 2023	Nil
In the Annual General Meeting held on July 29, 2022	1. To consider and ratify re-appointment of Mr. Dhirup Roy Choudhary (DIN: 07707322) as the Managing Director (MD) and Chief Executive Officer (CEO) of the Company for a further term of 5 (five) years effective January 16, 2022 until January 15, 2027. 2. Increase in managerial remuneration limit payable to Mr. Dhirup Roy Choudhary, Managing Director and Chief Executive Officer of the Company, in excess of 5% of the net profits of the Company for the financial year 2021-22.
In the Annual General Meeting held on July 30, 2021	Nil

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

i. Approval of HIL Limited Employee Stock Option Scheme 2023:

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

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

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

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

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

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

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

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

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

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

Procedure followed for Postal Ballot/ E-voting:

a. In terms of the provisions of Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "**Rules**") and other applicable provisions, if any, of the Act and the Rules, General Circular No. 9/2023 dated September 25, 2023, read along with General Circular Nos. 11/2022 dated December 28, 2022, 3/2022 dated May 5, 2022, 20/2021 dated December 8, 2021, 10/2021 dated June 23, 2021, 39/2020 dated December 31, 2020, 33/2020 dated September 28, 2020, 22/2020 dated June 15, 2020, 17/2020 dated April 13, 2020 and 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs (collectively referred to as "**MCA Circulars**"), Regulation 44 of SEBI Listing Regulations, the postal ballot process was conducted by way of electronic voting only. The Company engaged the services of National Securities Depository Limited ("**NSDL**") for the purpose of providing e-voting facility.

b. In accordance with the MCA Circulars, the Notices of Postal Ballot along with the instructions regarding e-voting were sent only by e-mail to all those Shareholders.

c. Mr. Mohit Gujar (Membership No. 20557, CP No. 18644) of M/s. P.S. Rao & Associates, Practising Company Secretaries, Hyderabad, was appointed as the Scrutinizer to conduct the Postal Ballots processes in a fair and transparent manner.

MEANS OF COMMUNICATION:

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

Financial Results

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

Company's Website

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

Stock Exchange Intimations

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

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

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

Press Releases and Presentations

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

SEBI Complaints Redress System (SCORES):

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

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

Designated Exclusive Email Address

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

Letters and Reminders to Shareholders for Unclaimed Shares/Dividends

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

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

GENERAL SHAREHOLDER'S INFORMATION:

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

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

Remote e-voting at the Annual General Meeting

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

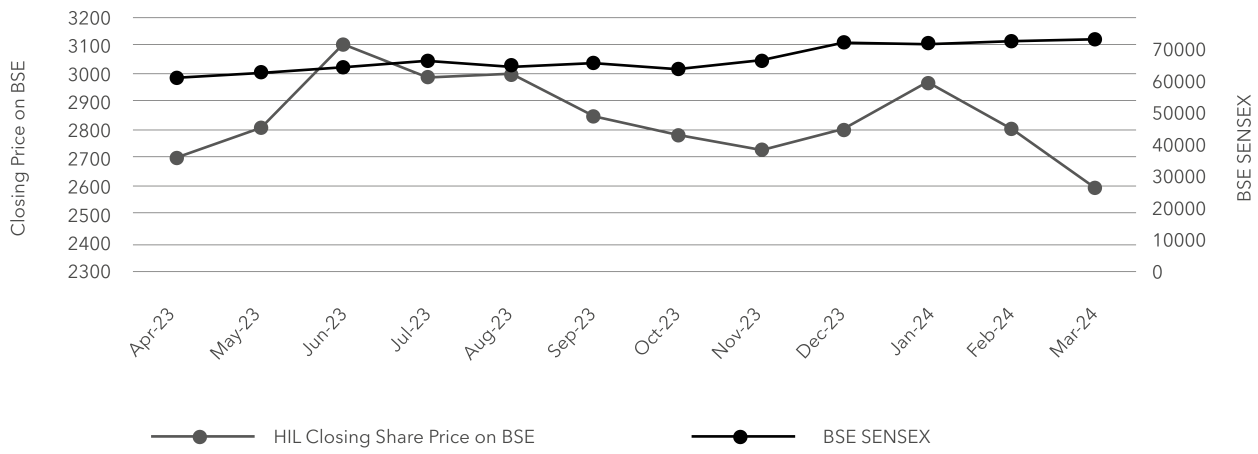
Market price of the Company's shares at BSE Limited and National Stock Exchange of India Limited:

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

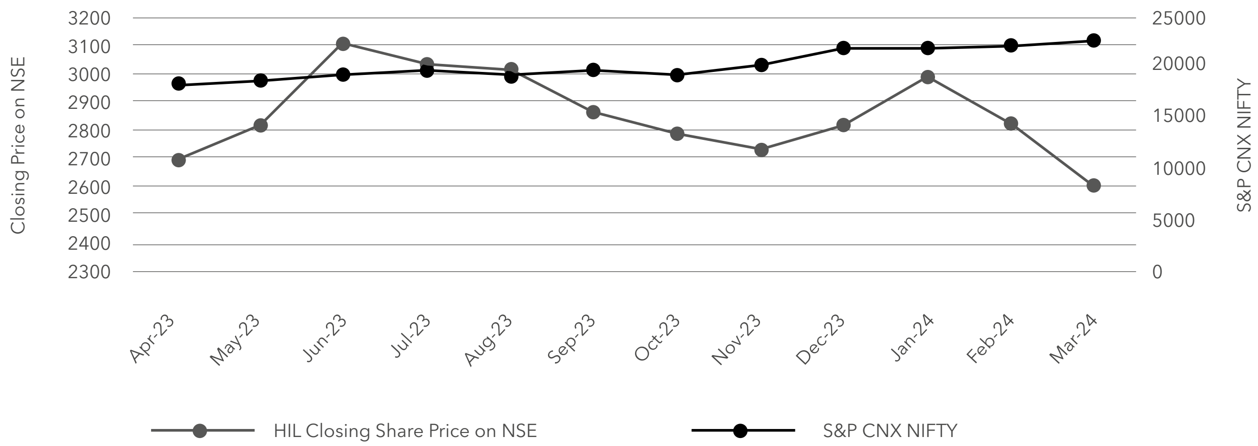
Performance in comparison to BSE Sensex and S&P Nifty 50:

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

HIL Share Price on BSE vis a vis BSE SENSEX



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



Registrar and Transfer Agent

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

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

Share Transfer Process & Dematerialisation

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

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

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

Nomination Facility

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

i. Either,
   - Nomination through Form SH-13 as provided in the Rules 19 (1) of Companies (Shares capital and debenture) Rules, 2014 or
   - 'Declaration to Opt-out', as per Form ISR-3

ii. In case of cancellation of nomination by the holder(s) through Form SH-14, then 'Declaration to Opt-out' shall be provided by the holder(s)

iii. Securities holder(s) can change their nominee through Form SH-14

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

Transfer to Investor Education and Protection Fund (IEPF):

(i) Transfer of unclaimed dividend:

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

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

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

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

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

(ii) Transfer of shares to IEPF

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

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

The details of such shares transferred to IEPF are uploaded on the website of the Company at **https://hil.in/investor-relations/unclaimed-divided-shares-due-to-transfer-to-iepf/.**

(iii) Claim from IEPF Authority

The Members/Claimants, whose unclaimed dividends/ shares have been transferred to IEPF, may contact the Company or RTA and submit the required documents for issue of Entitlement Letter. The Members/ Claimants can attach the Entitlement Letter and other documents mentioned thereon and file Form IEPF-5 available on **https://www.iepf.gov.in** for claiming the dividend/ shares. Link to e-Form IEPF-5 is also available on the website of the Company at **http://hil.in.** No claims shall lie against the Company in respect of the dividends/shares so transferred.

Secretarial Audit and Other Certificates

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

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

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

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

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

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

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

Shareholding Pattern as on March 31, 2024:

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

Dematerialisation of shares and liquidity

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

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

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

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

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

Commodity Price Risk or Foreign Exchange Risk and hedging activities:

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

Manufacturing Plant Locations

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

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

Credit Ratings obtained by the Company

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

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

OTHER DISCLOSURES:

a. Related Party Transactions:

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

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

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

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

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

b. Statutory Compliance, Penalties and Strictures:

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

c. Whistle Blower Policy/Vigil Mechanism:

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

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

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

d. Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, designated persons and relatives of Directors and such designated persons. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated persons and relatives of such designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. Ms. Nidhi Bisaria, Company Secretary of the Company is designated as the Compliance Officer for the purpose of Code and is responsible for implementation of the Code.

e. Code of Conduct:

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

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

Other Policies under the SEBI Listing Regulations:

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

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

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

i. Accounting treatment in preparation of financial statements

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

j. CEO & CFO Certification

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

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

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

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

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

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

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

n. Policy on material subsidiary:

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

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

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

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

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

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

As per the requirement of Prevention of Sexual Harassment at Workplace Act, 2013 ("**POSH Act**") and rules made thereunder, the Company has adopted a policy on prevention, prohibition and redressal of sexual harassment of employees at workplace. The Company has also constituted Internal Complaints Committees. While maintaining the highest governance norms, the Company has appointed external independent person, Ms. Kiran Bhutada (Advocate) who has worked in this area and have the requisite experience and knowledge in handling such matters, as Member of each of the Committees. To build awareness in this area, the Company has been conducting induction/awareness programmes in the organization on a continuous basis.

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

s. Compliance Certificate on Corporate Governance:

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

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

t. Mandatory Requirements:

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

u. Compliance with Discretionary Requirements:

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

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

- Modified opinion(s) in Audit Report: During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinion.
- Separate posts of Chairperson and the Managing Director & CEO: The Chairman of the Board is a Non-Executive Director and not related to the Managing Director & CEO of the Company.
- Reporting of Internal Auditor: The Audit Committee is briefed through discussions and presentations made by the Internal Auditors of the Company regarding the observations, review, comments, recommendations, etc.

For and on behalf of the Board of Directors
HIL Limited

CK Birla
Chairman
DIN: 00118473

Place: New Delhi
Date: May 7, 2024

Annexure(s) to Corporate Governance Report

Annexure - A

Certificate of Non-disqualification of Directors

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

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

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

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

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

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

For P.S. Rao & Associates
Company Secretaries

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

Date: April 24, 2024
Place: Hyderabad

Annexure - B

Declaration on Code of Conduct

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

For HIL Limited

Akshat Seth
Managing Director & CEO
DIN: 10039820

Place: New Delhi
Date: April 30, 2024

Annexure - C

CEO CFO Certificate

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

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

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

   b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any.

D. We have indicated to the auditors and the Audit committee:

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

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

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

For HIL Limited

	Ajay Kapadia	**Akshat Seth**
Place: New Delhi	Chief Financial Officer	Managing Director & CEO
Date: May 7, 2024	Membership No: 108447	DIN: 10039820

Annexure - D

Independent Auditors' Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of HIL Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 11 August 2022 and addendum to the engagement letter dated 25 April 2024.

2. We have examined the compliance of conditions of Corporate Governance by HIL Limited ("the Company"), for the year ended 31 March 2024, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

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

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2024.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

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

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

Sulabh Kumar Kedia
Partner
Membership No: 066380
UDIN: 24066380BKGXQM4655

Place: New Delhi
Date: 7 May 2024

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

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

II. Products/Services:

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

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

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

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

III. Operations:

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

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

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

19. Markets served by the entity:

a. Number of locations:

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

b. What is the contribution of exports as a percentage of the total turnover of the entity: 0.52%

c. A brief on types of customers

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

IV. Employees:

20. Details as of the end of the Financial Year:

a. Employees and workers (including differently abled):

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

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

b. Differently abled employees and workers:

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

21. Participation/Inclusion/Representation of women

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

**Including Managing Director & CEO*

22. Turnover rate for permanent employees and workers

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

Figures have been rounded off to zero decimals

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

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

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

VI. CSR Details:

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

(ii) **Turnover (in ₹):** 2,230.85 crore

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

VII. Transparency and Disclosures Compliances:

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

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

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

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

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

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

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

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

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

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

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

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

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether the entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes, refer Note 1	No, refer Note 2	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	No+	No +	Yes	No*	No +		Yes	No +
c. Weblink of the Policies, if available	*	**	-	#	##	-		#	**
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes Refer Note 3		No	No	Yes Refer Note 3			No	Yes Refer Note 3
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the entity and mapped to each principle	▸ P2 and P9: ISO 9001 ▸ P6 and P3: IS-15778:2007, IS-13592:2013, IS-4983:2000 (Faridabad, Golan & Thimmapur) ▸ P6 and P3:IS-7834: Part-1:1987, IS-14735:1999 (Golan), IS-14871:2000 (Kondapalli) ▸ P6 and P3: IS-2185: Part-3:1983 (Thimmapur, Chennai, Jhajjar, Golan) ▸ P6 and P3: IS-459:1992 (Kondapalli, Faridabad, Sathariya, Wada, Jasidih, Balasore) ▸ P3 and P5: Great Places to Work Certified – April 2023 to April 2024 ▸ P2 and P6: GreenPro Award for Birla HIL CPVC Pipes- 2023-25 ▸ P2 and P6: GRIHA Certified Birla Aerocon AAC Blocks and Panels ▸ P9: ISO 27001-2013								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any	**Environmental** ▸ Determine a baseline for target setting on environmental impacts by FY2025 - GHG and air emissions, energy, water and waste ▸ Improve energy efficiency, re-mix and reduce GHG emissions ▸ Implement and stabilize ZLD processes across all plants by FY2025 ▸ ISO 14001 at all plant locations by FY2027 **Social** ▸ LTIFR <1, Zero fatality Year-On-Year ▸ ISO 45001 at all plant locations by FY2027 ▸ D&I roadmap at HIL to be finalized by FY2025 ▸ GPTW Rank: Continue to be in the Top 50 in India ▸ 2 average learning person-days per employee in FY2025 **Governance** ▸ 100% training on the Code of Conduct, Human Rights and POSH ▸ Zero environmental and labour non-compliances ▸ Transform HIL into a 'Digital Native' Organization								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	**Environmental** ▸ Improvement in the share of renewable energy in total energy consumption driven by the use of biomass ▸ Improvements in Zero Liquid Discharge: Please refer to Principle 6, Essential Indicator 5 ▸ Six roofing product plants identified for ISO 14001 and preparation is underway for certification in FY2025 ▸ 2 new plants have been included in the scope which are at the initial phase of operational stability which has impacted energy and emissions intensity **Social** ▸ 29,000 hours of safety training, no major/serious accidents were reported ▸ GPTW Rank 27 for FY2023-24 ▸ Implemented new policies (mentorship, work-life balance, etc.) and structured feedback mechanisms to support gender diversity at HIL ▸ 1.72 average learning person-days per employee achieved ▸ Product Portfolio with Green Certification expanded to include Charminar Fortune and CPVC pipes & fittings **Governance** ▸ 100% training on the Code of Conduct and POSH ▸ No non-compliances on environment or labour laws have been notified to HIL.								

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

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

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

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

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

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

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

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9

Governance, leadership, and oversight

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

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

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Akshat Seth, Managing Director & CEO is responsible for the implementation and oversight of the business responsibility policies.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Managing Director and CEO along with the executive leadership team are collectively and individually responsible for decision-making and performance on sustainability issues. They drive and monitor the overall performance and periodically inform the Board on ESG matters. The overall performance is assessed at least once in a year by the Board.

10. Details of review of NGRBCs by the Company:

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

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

No

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

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

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

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

Essential Indicators:

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in the respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	The Board of Directors and Key Managerial Personnel (KMPs) have attended 20 familiarization programs during the Board meetings and other Committee meetings	The familiarization and other training programs are aligned with the responsibilities of the Board, SEBI Listing Regulations and all the relevant BRSR Principles. The details are available at https://hil.in/wp-content/uploads/2024/04/Familiarization-Program-for-IDs-dt-31032024_26042024.pdf	100%
Employees other than BoD and KMPs	409	▸ Principle 1 ▸ Principle 3 ▸ Principle 5 ▸ Principle 8 ▸ Principle 9	92.33%
Workers (Permanent)	101	▸ Principle 1 ▸ Principle 3 ▸ Principle 5 ▸ Principle 9	58%

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

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

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

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

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

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

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

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

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

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

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

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

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

Not applicable

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

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

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

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

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

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

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

Leadership Indicators:

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

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

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

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

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

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

PRINCIPLE 2

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

Essential Indicators:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Leadership Indicators:

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

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

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

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

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

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

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

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

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

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable	
Please refer Principle 2, Essential Indicator 3	

PRINCIPLE 3

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

Essential Indicators:

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

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

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	640	640	100%	640	100%	NA	NA	640	100%	-	-
Female	-	-	100%	-	100%	NA	NA	NA	NA	-	-
Total	**640**	**640**	**100%**	**640**	**100%**	**NA**	**NA**	**640**	**100%**	**-**	**-**
Other than Permanent Workers											
Male	4,223	4,223	100%	4,223	100%	NA	NA	4,223	100%	-	-
Female	40	40	100%	40	100%	40	100%	NA	NA	-	-
Total	**4,263**	**4,263**	**100%**	**4,263**	**100%**	**40**	**0.94%**	**4,223**	**99.06%**	**-**	**-**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. Details of training given to employees and workers:

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

Data includes both permanent and other than permanent employees and workers

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

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

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

10. Health and safety management system:

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

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

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

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

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

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

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

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

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

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

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

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

**Including contract workforce*

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

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

- The Company conducts regular risk assessments to identify potential hazards, evaluate associated risks, and implement control measures to mitigate those risks. Depending on the risk score, engineering controls such as ventilation systems, guardrails, machine guards, and interlocks are implemented to eliminate or reduce exposure to hazards. Additionally, the workplace is regularly inspected to evaluate hazards and the effectiveness of control measures and ensure compliance with relevant regulations and standards.

- Employees are provided with training and education on safe work practices, hazard recognition, and the proper use of personal protective equipment (PPE) and equipment. Employees are also provided with PPE such as hard hats, safety goggles, respirators, gloves, and safety shoes etc. to protect them from potential hazards.

- A robust incident reporting system has been established to ensure that all incidents, including near misses, are reported and investigated, and corrective actions are taken to prevent similar incidents from occurring in the future.

- AI cameras have been installed in the danger zones of the machines to prevent high-severity injuries to workers. If any person enters the designated danger zones, the AI camera detects their presence and immediately sets off an alarm to the operator of that particular machine and shuts off the moving parts.

- Regular mock drills are conducted biannually across all manufacturing plants to evaluate the proficiency of the Emergency Response Team (ERT) and First Aid team members in managing specific emergencies pertinent to their geographical setting and operational processes. Following these drills, the ERT team convenes to review the outcomes, identifying any deficiencies and promptly implementing necessary enhancements.

- The Company has partnered with service providers for the provision of an Employee Assistance Program. This anonymous program offers all employees and two dependents free access to various services, including 24/7 support from 900+ counselling psychologists. The service provider hosts weekly webinars and wellness sessions on stress management, supplemented by informative mailers on emotional and mental well-being.

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

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

14. Assessments for the year:

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

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

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

Leadership Indicators:

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

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

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

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

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

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

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

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

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

5. Details on assessment of value chain partners:

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

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

Not applicable – Please refer Question 5

PRINCIPLE 4

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

Essential Indicators:

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

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

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

Stakeholder Group	Whether identified as a vulnerable & marginalized group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website), others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Local Communities	Yes	▸ Community Meetings for need identification ▸ Partnership with local implementation partners	▸ Need-based ▸ Ongoing	▸ Need and impact on Society at large ▸ Selection of CSR Projects ▸ Implementation Partners ▸ Alignment of CSR projects with HIL's strategy ▸ Project outcome and impact ▸ Healthcare and wellbeing ▸ Education and related infrastructure ▸ Community development
Employees and Workers	No	▸ Townhall ▸ CHRO Hub ▸ Employee experience survey ▸ Human Resources portal ▸ HRMS ▸ Emails from Employee Communication ▸ Business Meetings	▸ Annual ▸ Quarterly ▸ Monthly ▸ Ongoing	▸ Company's vision, mission and values ▸ Business performance updates ▸ Training and capability building ▸ Aspects of employee well-being ▸ Performance management and career development ▸ Employee engagement activities

Stakeholder Group	Whether identified as a vulnerable & margin-alized group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website), others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	▸ Exhibitions and events ▸ Website and social media ▸ Distributor/ Retailer/ Direct customer/ Achievers' meets ▸ Customer plant visits ▸ Trade body membership ▸ Information on packaging	Ongoing	▸ Customer surveys & complaints management ▸ Product features and benefits ▸ Product quality and availability feedback ▸ Timeliness of customer support ▸ Satisfaction with after-sales service ▸ Responsible guidelines/ manufacturing ▸ Awareness and initiatives for climate change
Suppliers and Partners	No	▸ Procurement channels ▸ Suppliers/ traders/ manufacturers' visits ▸ Product workshops ▸ Seminars	▸ Ongoing	▸ Quality, Price ▸ Timely delivery and payments ▸ Transparency ▸ New product introduction ▸ New business opportunity ▸ Jointly working on product quality enhancement ▸ Sustainable procurement practices
Government and Regulatory Authorities	No	▸ Compliance reports ▸ Industry forums ▸ Statutory meetings	▸ Ongoing	▸ Statutory environmental, social and governance compliance ▸ Compliance-related requirements, such as filing periodic returns, reports, payment of taxes, etc.
Shareholders and Investors	No	▸ Annual General Meeting ▸ Investor conferences/ calls/ meetings ▸ Investor communications/ press releases/relevant ▸ Advertisements ▸ Stock Exchange Intimations	▸ Quarterly	▸ Governance and financial performance ▸ Business updates ▸ Growth plans and product pipeline ▸ Financial performance and business updates
Dealers & Distributors	No	▸ Dealer conferences ▸ Regional meetings ▸ Email communications ▸ Training workshops ▸ Sales reports ▸ Product catalogues and price lists ▸ Promotional materials ▸ Social media updates ▸ Direct sales calls	▸ Monthly, ▸ Quarterly ▸ Ongoing	▸ Sales performance and targets ▸ Product availability and quality, ▸ Pricing and promotions ▸ Marketing support and materials ▸ Training and education on product features ▸ Customer preferences and market trends ▸ Resolving issues or concerns regarding deliveries or payments ▸ Collaboration on marketing campaigns and promotions.

Stakeholder Group	Whether identified as a vulnerable & margin-alized group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website), others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Influences and Applicators	No	▸ One-on-one meetings ▸ Events, exhibitions and expos ▸ Digital media ▸ Training workshops, ▸ Product catalogues, ▸ Direct sales calls ▸ Training and awareness workshop	▸ Ongoing	▸ Awareness of the Company and Products Profile ▸ Business collaboration and value addition ▸ Training and education on product features ▸ Customer preferences and market trends, ▸ Collaboration on marketing campaigns and promotions.
Bankers	No	▸ In-person meetings/ visits	▸ On need basis	▸ Transparent financial transactions ▸ Timely repayment of debt
Industry Associations	No	▸ Emails and letters ▸ Meetings and seminars ▸ Representations ▸ Conferences	▸ Annually ▸ Half-yearly ▸ Quarterly ▸ As and when required	▸ Policy matters and initiatives. ▸ Broader policy development and consensus-building process.

Leadership Indicators

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

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

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

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

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

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

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

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

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

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

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

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

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

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

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

a. Median Remuneration/Wages:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10. Assessments for the year:

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

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

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

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

Leadership Indicators

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

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

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

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

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

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

4. Details on assessment of value chain partners:

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

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

None.

PRINCIPLE 6

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

Essential Indicators:

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

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

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

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

PPP data has been obtained from the CEIC, Organisation for Economic Co-Operation and Development. The values have been prorated from CY2022 and CY2023 for FY 2023 data (24.007) and CY2023 and CY2024 (estimated) for FY 2024 data (23.846)
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

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

   No

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

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

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

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

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

4. **Provide the following details related to water discharged:**

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

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

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

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

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

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

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

The emissions are recorded based on quarterly measurements of the DG sets and the boiler stacks and the Company monitors other air emissions for SOx, NOx, and Particulate Matter (PM_{10} and $PM_{2.5}$). POP, VOC, HAP as described above are not material for our operations and hence are not monitored. As a practice, HIL ensures that all air pollution parameters are within the permissible limits and compliant with the prevalent norms prescribed by the regional Pollution Control Boards, indicating efficient management of industrial operations and stringent air pollution control processes.

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

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

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	21,061.77	21,714.69
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	50,761.88	46,989.12
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO_2 equivalent per Rupee of Turnover	3.458×10^{-06}	3.33×10^{-06}
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO_2 equivalent per USD adjusted for PPP of Turnover	8.247×10^{-05}	8×10^{-05}
Total Scope 1 and Scope 2 emission intensity in terms of physical output		Not Applicable	Not Applicable
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		Not Applicable	Not Applicable

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

Scope 1 GHG Emissions: Based on factors and equations from WRI's GHG Protocol, EPA.Gov, DEFRA and IPCC's fifth assessment report. Fuels for Stationary Combustion (2006 IPCC guidelines) include diesel for DG sets, coal, PNG, and LPG. Mobile Combustion includes Diesel consumed in forklifts and material handling equipment. CH_4 and N_2O emission by biomass, i.e., deoiled cashew nut shell, briquette, rice husk, and firewood is accounted for. Biogenic emissions@ released from use of Biomass for FY 23-2024 is 42,329.56 tCO_2 and for FY 22-2023 is 35,633.06 tCO_2.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Leadership Indicators:

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

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

(i) Name of the area: Faridabad (Water Stress Area – Over Exploited)

(ii) Nature of operations: Roofing Sheets, Panels, Pipes and Fittings

(iii) Water withdrawal, consumption and discharge in the following format:

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

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

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

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

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

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	MTs of CO_2 equivalent	HIL has not initiated the process for inventorying its Scope 3 emissions.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

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

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

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

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

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

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

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

Business Continuity and Disaster Management systems are integral to HIL's Enterprise Risk Management Process. The Company has instituted thorough onsite emergency protocols specifically tailored to address potential plant-specific crises. To ensure preparedness, the Company conducts semi-annual mock drills to assess the efficacy of its Emergency Response Teams (ERT). Regular training sessions covering firefighting, rescue operations, first aid, and other vital skills are provided to both ERT members and our entire workforce. Furthermore, the Company's ERT teams are equipped to handle emergencies extending beyond the boundaries of its facilities. A notable demonstration of their proficiency occurred when the ERT team at the Company's Balasore plant swiftly and effectively responded to a colloidal accident involving three trains on June 2nd, 2023, near Balasore. The Company also periodically conduct fire drills and other emergencies for its office staff. The Company has also implemented the necessary business continuity and disaster management measures from an IT security perspective which are in line with the requirements of its IS0 27001 certification requirements.

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

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

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

Not Applicable – please refer to *Question 6* above.

PRINCIPLE 7

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

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.** 10

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

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

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

Name of authority	Brief of the case	Corrective action taken
	None	

Leadership Indicators:

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

S.No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available

The Company does not make any public or regulatory policy advocacy representations to the government directly. However, HIL does participate in the industry and trade bodies of which it is a part (as detailed in Principle 7, Essential Indicator 1 (b)) including those where HIL is also a founder member. The Company contributes its experience and opinion on a variety of industry issues as a part of these forums. At the request of policymakers, HIL would share its knowledge to help define framework conditions and their impact on society in the fields of relevance to the Company.

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators:

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

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

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

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

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

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

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

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

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

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

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

Leadership Indicators:

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

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

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

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

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):** No

   (b) **From which marginalized /vulnerable groups do you procure?** Not Applicable

   (c) **What percentage of total procurement (by value) does it constitute?** Not Applicable

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

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

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

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

6. **Details of beneficiaries of CSR Projects:**

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

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

PRINCIPLE 9

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

Essential Indicators:

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

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

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

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

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

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

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

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

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

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

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

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

7. Provide the following information relating to data breaches:

a. **Number of instances of data breaches along-with impact:**

b. **Percentage of data breaches involving personally identifiable information of customers:**

c. **Impact, if any, of the data breaches**

There have been no instances of data breaches for FY2024.

Leadership Indicators:

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

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

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

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

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

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

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

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

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

Akshat Seth
Managing Director & CEO
DIN : 10039820

Place: New Delhi
Date: May 7, 2024

Independent Auditor's Report

To
The Members of **HIL Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report*. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

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

Revenue Recognition

See Note 23 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's revenue is primarily derived from sale of products of roofing solutions, building solutions, polymer solutions and others. We have identified timing of revenue recognition as a key audit matter because there are variations in different sale contracts and consequently, there is a risk of revenue being overstated on account of recognition before transfer of control particularly due to pressures for achieving the performance targets for the year.	Our audit procedures include the following: • We assessed the appropriateness of the revenue recognition accounting policies and compliance with Indian accounting standards; • We evaluated the design and implementation of key internal financial controls with respect to revenue recognition and tested operating effectiveness of such controls on selected transactions; • We performed substantive testing on samples selected using statistical sampling of revenue transactions, recorded during the year by testing the underlying documents to assess whether criteria for revenue recognition are met; • We tested sample journal entries selected based on specified risk-based criteria, to identify unusual items; • We tested, on a sample basis using statistical sampling, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by testing the underlying documents; and • We carried out product wise year on year variance analysis on revenue recognised during the year to identify unusual variances.

Impairment of non-current investments in subsidiary

See Note 7 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has non-current investments in its subsidiary, HIL International GmbH, Germany amounting to INR 27,346.24 lacs. The Company's investments in subsidiary are valued at cost less provision for other than temporary impairment. These investments are assessed for impairment when an indicator of impairment exists. The Management annually assesses the existence of impairment indicators and performs impairment testing if there is any indicator. In performing the impairment test, the Company has made several key assumptions, such as growth rates, discount rates and forecasted cash flows relating to the aforesaid entity. We identified impairment of non-current investment in subsidiary as a key audit matter because these estimates involve significant judgement, and the underlying assumptions are inherently uncertain.	Our audit procedures include the following: • We evaluated the design and implementation of key internal financial controls of the Company with respect to the impairment assessment of investments and tested operating effectiveness of such controls; • Evaluated the impairment indicator assessment performed by the Company considering quantitative and qualitative factors; • We tested budgeting procedures upon which the cash flow forecasts were based. We also compared the actual past performances with the budgeted figures; • We involved internal valuation specialists to assist us in evaluating the key assumptions and methodology used by the Company, in particular those relating to the forecast of the revenue growth, profit margins and discount rate. Internal valuation specialists also compared the assumptions to externally derived data in relation to key inputs such as projected economic growth, competition, cost inflation and discount rates; • We assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions; and • We assessed the adequacy of the disclosures including disclosures of key assumptions, judgments and sensitivities.

Other Information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 49 to the standalone financial statements.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the Note 60 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 60 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Companies Act 2013.

The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 16 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

(i) In case of an accounting software used for maintaining general ledger, the feature of recording audit trail (edit log) facility was not enabled at the application level for the period 01 April 2023 to 15 April 2023. Further, the audit trail feature was not enabled at the database level to log any direct data changes.

(ii) In the absence of an independent service auditor's report from 01 January 2024 to 31 March 2024 in relation to controls at a service organisation for an accounting software used for maintaining the books of account relating to payroll records and employee expense reimbursements, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated from 01 January 2024 to 31 March 2024 for all relevant transactions recorded in the software.

(iii) The accounting software used for maintaining the books of account relating to vendor invoice processing did not have the feature of recording audit trail (edit log) facility.

Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with.

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

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

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

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

Sulabh Kumar Kedia
Partner
Membership No.: 066380
ICAI UDIN:24066380BKGXQK1823

Place: New Delhi
Date: 07 May 2024

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

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

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

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

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

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

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

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

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

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts or disptach has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

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

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

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

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

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

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company and the loans and guarantee provided to the parties covered under Section 186 of the Act, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of professional tax, provident fund and Tax deducted at source.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

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

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

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

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

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

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

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

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

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

Sulabh Kumar Kedia
Partner
Membership No.: 066380
ICAI UDIN:24066380BKGXQK1823

Place: New Delhi
Date: 07 May 2024

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

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

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

Opinion

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

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

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

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Sulabh Kumar Kedia
Partner
Membership No.: 066380
ICAI UDIN:24066380BKGXQK1823

Place: New Delhi
Date: 07 May 2024

Standalone Balance Sheet

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

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

As per our Report of even date attached

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

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

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

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

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

Ajay Kapadia
Chief Financial Officer
Membership No.: 108447
Place: New Delhi

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

Date: 07 May 2024

Standalone Statement of Profit and Loss

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

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

As per our Report of even date attached

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

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

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

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

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

Ajay Kapadia
Chief Financial Officer
Membership No.: 108447
Place: New Delhi

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

Date: 07 May 2024

Standalone Statement of Cash Flows

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

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

Standalone Statement of Cash Flows (Contd.)

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

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

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

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

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

b) Cash and cash equivalents comprises of:

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks:		
- On current accounts	6,846.25	953.39
Cash and cash equivalents as per balance sheet	**6,846.25**	**953.39**

Summary of material accounting policies (refer note 3)

See accompanying notes to the standalone financial statements

As per our Report of even date attached

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

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

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

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

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

Ajay Kapadia
Chief Financial Officer
Membership No.: 108447
Place: New Delhi

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

Date: 07 May 2024

Standalone Statement of Changes in Equity

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

a. Equity share capital

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

b. Other equity

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

As per our Report of even date attached

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

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

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

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

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

Ajay Kapadia
Chief Financial Officer
Membership No.: 108447
Place: New Delhi

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

Date: 07 May 2024

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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

1 Corporate information

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

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

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

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

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

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

2 Basis of preparation

A. Statement of compliance

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

b) The standalone financial statements were authorised for issue by the Company's Board of Directors on 07 May 2024.

c) Details of the Company's accounting policies are included in note 3.

B. Functional and presentation currency

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

C. Basis of measurement

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

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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

2 Basis of preparation (Contd.)

C. Basis of measurement (Contd..)

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

D. Use of estimates and judgment

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

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

Judgements

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

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

Assumptions and estimation uncertainties

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

- Note 06 – impairment test of goodwill: key assumptions used in discounted cash flow projection;
- Note 11 – impairment test of other assets;
- Note 11 – determining the fair value less costs to sell off the non-current assets held for sale on the basis of significant observable inputs;
- Note 21 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 33 - fair value consideration transferred on business acquisition and fair value of net identifiable assets on acquisition date;
- Note 36 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 10 – impairment of financial assets.

E. Measurement of fair values

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

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

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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

2 Basis of preparation (Contd.)

F. Current/ Non-current classification

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

3 Material accounting policies

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

a. Foreign currency transactions

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

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

b. Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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

3 Material accounting policies (Contd.)

b. Financial instruments (Contd.)

ii. Classification and subsequent measurement (Contd.)

Financial assets (Contd.)

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

Subsequent measurement and gains and losses

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

Financial liabilities

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

b. Financial instruments (Contd.)

iv. Offsetting (Contd.)

Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised immediately in the profit or loss and are included in other income or expenses.

c. Property, plant and equipment and capital work-in-progress

i. Recognition and measurement

Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment including capital work-in-progress are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates), including import duties and non-refundable purchase taxes if any, all costs directly attributable to bringing the item to its working condition, for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Freehold land is carried at historical cost less any accumulated impairment losses.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The cost property, plant and equipment as at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to the carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliabily. All other expenditure is recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are depreciated over the period of the lease.

The estimated useful lives of items of property, plant and equipment are estimated by the management, which are equal to the life prescribed under the Schedule II of the Act, except for following assets mentioned below which are based on technical evaluation and past experience:

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

c. Property, plant and equipment and capital work-in-progress (Contd.)

iii. Depreciation (Contd.)

Plant and machinery: 19 years for continuous processing plants (CPP) as against 15 years

Certain moulds and dies: 6 / 9 years as against 8 years

Wind power generation plant: 25 years as against 22 years

The estimated useful lives of items of property, plant and equipment acquired in business combination (see note 33) have been considered at the remaining useful life on acquisition date (as per books of account of the acquiree).

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions / (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use / (disposed off).

d. Goodwill and other intangible assets

i. Recognition and measurement

Goodwill

Acquisition method as per Ind AS 103 'Business Combinations' is used for valuation of goodwill arising on business acquisition see note 3(v). Subsequent to initial recognition, goodwill is measured at cost, less accumulated impairment losses (see note 3(g) (ii)), if any .

Service concession arrangements

The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost (see note 3 (v)). The cost of intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset is measured reliably. Following initial recognition , other intangible assets, including those acquired by the Company in a business combination and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

iii. Amortisation

Goodwill and other intangible assets with indefinite lives are not subject to amortisation as per Ind AS 103 and is tested for impairment annually, or more frequently when there is an indication that the value of cash-generating unit to which these assets have been allocated, may be impaired.

For other intangible assets, amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in profit or loss.

The estimated useful lives are as follows:

Asset	Years
- Service concession arrangement	25
- Computer software	5
- Brand	5
- Non-compete	5

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

d. Goodwill and other intangible assets (Contd.)

iii. Amortisation (Contd.)

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Company is able to charge the public for the use of the infrastructure to the end of the concession period.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. Transition to Ind AS

The cost of Intangible assets as at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to the carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

e. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on investment property other than perpetual leasehold land is calculated on a straight-line basis based on the useful life estimated by the management, which is equal to life prescribed in Schedule II of the Act.

Investment property is derecognised either when it has been disposed off or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the profit or loss.

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads on normal operating capacity. In the case of raw materials and stock-in-trade, cost comprises of cost of purchase.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

g. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

g. Impairment (Contd.)

i. Impairment of financial instruments (Contd.)

amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables, loans, contract assets are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, investment property are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

g. Impairment (Contd.)

ii. Impairment of non-financial assets (Contd.)

is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. They are allocated first to reduce the carrying value of goodwill allocated to the CGU and then to reduce the carrying amount of other assets in the CGU or prorata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

h. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share-based payment arrangements

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in 'Share options outstanding account' reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. Incase of cancellation of options granted before the completion of vesting period the cost is reversed in the statement of profit and loss.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Company providing retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions payable to the provident fund and superannuation fund are recognised as expenses, when an employee renders the related services. The Company has no obligation, other than the contribution payable to the funds.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

h. Employee benefits (Contd.)

iv. *Defined benefit plans (Contd.)*

The Company accounts for gratuity liability of its employees including contract workers on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Discount rate is determined by reference to market yields government bonds, at the end of the reporting period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. *Compensated absences*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. Such entitlement is discounted to determine its present value. The obligation is measured semi-annually by a qualified actuary on the basis of actuarial valuation using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

vi. *Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

i. Revenue from contract with customers

The Company generates revenue from its ordinary activities i.e., from sale of goods and services. A contract in this context shall fulfill all of the following conditions:

- Both the parties to the contract agree on the contract terms.
- Performance obligations of each of the parties is identifiable and there exists a commitment to perform their respective obligations; and
- The commercial substance or the purchase consideration is measurable and the collectability is probable.

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by the nature of sale i.e. manufactured and traded goods, solutions i.e. roofing solutions, building solutions, polymer solutions and others and geographic market. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

i. Revenue from contract with customers (Contd.)

Contract balances

The Company classifies the right to consideration in exchange for sale of goods as trade receivables, advance consideration as contract liability against payment and unredeemable customer loyalty points as contract liability against performance obligation.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration adjusted with discounts and incentives, if any, as specified in the contracts with customers. Revenue is recognised to the extent of fulfillment of each of the performance obligations to the contract. The Company recognises revenue when it transfers control over the goods or services to the customers. The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies.

a. Sale of products

(i) Nature and timing of satisfaction of performance obligations, including significant payment terms: The timing of transfer of control is driven by the individual terms of contracts. Invoices are usually payable within agreed credit terms. For customer loyalty programme refer note (b) below.

(ii) Revenue is recognised when a customer obtains control of the goods which is driven by the individual terms of contracts. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

b. Customer loyalty programmes

(i) Nature and timing of satisfaction of performance obligations including significant payment terms: Customers who purchases products may enter into Company's customer loyalty programme and earn credits. These credits are redeemed against the awards as per the terms of the programme.

(ii) The Company allocates a portion of the consideration received to loyalty credits. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liability against performance obligation.

c. Sale of services

Revenue from sale of services is recognised when it is measurable and it is probable that future economic benefits will flow to the entity in accordance with tariff provided in power purchase agreement.

d. Rental income

Rental income from investment property is recognised as part of other income in the Statement of profit or loss on a straight-line basis over the term of the lease.

j. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

k. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis.

l. Leases

i. Leases as lessee

As a lessee, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. The Company decided to apply recognition exemptions to short-term leases.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right of use asset reflects that the Company will exercise the purchase option. In that case, estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certian adjustments to reflect the terms of the lease and type of asset lease. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments included in the measurement of the lease liability comprise:

a. Fixed payments including in-substance fixed payments

b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

c. Amounts expected to be payable under a residual value guarantee

d. The exercise price under a purchase option that the Company is reasonably

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

l. Leases (Contd.)

i. *Leases as lessee (Contd.)*

certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with the leases as an expense in the profit and loss on a straight line basis over lease term.

The Company presents right-of-use assets that do not meet the definition of Investment Property in 'Property, plant and equipment' and lease liabilities in 'Financial liabilities' in the Balance sheet.

ii. *Leases as lessor*

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

m. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or item recognised directly in equity or in other comprehensive income. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

i. *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for

(a) temporary differences arising on the initial recognition of assets or liabilities in a transaction that:

- is not a business combination and

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

m. Income-tax (Contd.)

- at the time of transation (i) that affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary difference.

(b) temporary taxable differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

n. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract which is determined based on the incremental cost of fulfilling the obligation under the contract and an allocation of other cost directly related to fulfilling the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events, the occurrence or non-occurrence of which is dependent on the

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

o. Provision, contingent liabilities and contingent assets (Contd.)

happening of one or more uncertain future events not wholly within the control of the entity; or a present obligation arising from past events with no probability of future outflow of economic benefits or the outflow cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are recognised in the period in which it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date.

p. Earnings per share ("EPS")

Basic earnings per share is computed by dividing the net profit (or loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

q. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

r. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

s. Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated. These assets are classified seperately from the other assets / liabilities in the balance sheet.

t. Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

u. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024
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3 Material accounting policies (Contd.)

v. Business Combinations

In accordance with Ind AS 103, Business Combination, the Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company . In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see note 3(g) (ii)). Any gain on a bargain purchase is recognised in other comprehensive income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

w. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

x. Changes in material accounting policies

a. Deferred tax related to assets and liabilities arising from a single transaction

The Company has adopted Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IndAS 12) from 1 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting differences (e.g. leases). For leases, the Company is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as adjustment to retained earnings or other components of equity at that date.

The Company previously accounted for deferred tax on leases by applying 'inter linked' approach, resulting in similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the ammedments, the Company has recognised separate deferred tax asset in related to its lease liabilities and a deferred tax liability in relation to its right-to-use assets as at 1 April 2023 and thereafter. However, there was no impact on the balance sheet because the balances qualify for offset under paragraph 74 of Ind AS 12. There was also no impact on the opening retained earnings as at 1 April 2023 as a result of the change.

b. Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity - specific accounting policy information that users needs to understand the other information in the financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

4. Property, plant and equipment

Particulars	Freehold land (refer note (a) below)	Leasehold land	Buildings	Railway sidings	Plant and equipment (refer note (b) below)	Furniture and fittings	Office equipment	Vehicles	Right of use assets (refer note (e) below)	Total	Capital work-in-progress (refer note (f) below)
A. Cost or Deemed cost (Gross carrying amount)											
As at 01 April 2022	2,471.64	75.43	17,713.86	0.63	53,775.84	779.20	610.82	232.64	2,454.09	78,114.15	1,949.81
Additions	67.79	-	1,221.88	-	8,465.21	64.26	61.27	37.53	374.77	10,292.71	10,903.10
Disposals	-	-	(17.04)	-	(640.68)	(33.00)	(26.35)	(0.57)	(122.12)	(839.76)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(9,947.53)
Reclassification from non-current assets held for sale (refer note 11)	-	-	-	-	13.34	-	-	-	-	13.34	-
Acquisitions through business combination (refer note 33)	880.19	-	742.81	-	1,041.22	2.00	6.00	1.00	-	2,673.22	-
Reclassification to non-current assets held for sale (refer note 11)	(1.03)	-	(78.36)	-	-	-	-	-	-	(79.39)	-
As at 31 March 2023	**3,418.59**	**75.43**	**19,583.15**	**0.63**	**62,654.93**	**812.46**	**651.74**	**270.60**	**2,706.74**	**90,174.27**	**2,905.38**
Additions	-	-	1375.02	-	5,348.29	24.04	75.06	40.52	37.18	6,900.11	7,584.42
Disposals	-	-	(13.36)	-	(335.58)	(6.30)	(6.96)	(12.11)	(29.44)	(403.75)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(6,862.93)
As at 31 March 2024	**3,418.59**	**75.43**	**20,944.81**	**0.63**	**67,667.64**	**830.20**	**719.84**	**299.01**	**2,714.48**	**96,670.63**	**3,626.87**
B. Accumulated depreciation											
As at 01 April 2022	-	75.43	3,436.77	0.51	18,711.36	379.13	385.35	116.83	334.22	23,439.60	-
For the year ended 31 March 2023	-	-	711.14	-	4,181.52	86.68	84.63	26.64	291.56	5,382.17	-
Disposals	-	-	(3.22)	-	(462.94)	(4.80)	(25.79)	(0.44)	(94.17)	(591.36)	-
Reclassification from non-current assets held for sale	-	-	-	-	13.20	-	-	-	-	13.20	-
Reclassification to non-current assets held for sale	-	-	(42.97)	-	-	-	-	-	-	(42.97)	-
As at 31 March 2023	**-**	**75.43**	**4,101.72**	**0.51**	**22,443.14**	**461.01**	**444.19**	**143.03**	**531.61**	**28,200.64**	**-**
For the year ended 31 March 2024	-	-	775.17	-	5,010.16	84.59	87.83	34.05	308.17	6299.97	-
Disposals	-	-	(8.91)	-	(223.91)	(5.29)	(6.72)	(10.61)	(29.44)	(284.88)	-
As at 31 March 2024	**-**	**75.43**	**4,867.98**	**0.51**	**27,229.39**	**540.31**	**525.30**	**166.47**	**810.34**	**34,215.73**	**-**
C. Net carrying amounts (A-B)											
As at 31 March 2023	**3,418.59**	**-**	**15,481.43**	**0.12**	**40,211.79**	**351.45**	**207.55**	**127.57**	**2,175.13**	**61,973.63**	**2,905.38**
As at 31 March 2024	**3,418.59**	**-**	**16,076.83**	**0.12**	**40,438.25**	**289.89**	**194.54**	**132.54**	**1,904.14**	**62,454.90**	**3,626.87**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

4. Property, plant and equipment (Contd.)

Note:

a) Title deeds of immovable properties not held in the name of the Company:

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or their employee	Property held since which date	Reason for not being held in the name of the Company
Freehold Land as at 31 March 2024 and as at 31 March 2023	1.27	Faridabad Complex Administration (now known as Municipal Corporation of Faridabad)	No	1964	Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad.

b) Refer note 46 for details of assets purchased for Research and Development.

c) Refer note 17 for details of assets pledged against borrowings.

d) The Company has not revalued any property, plant and equipment after initial recognition, during the year ended 31 March 2024 and 31 March 2023.

e) Right of use assets comprise of the following assets:

Particulars	Buildings	Land	Vehicles	Total
A. Cost or Deemed cost (Gross carrying amount)				
As at 01 April 2022	552.42	1,805.99	95.68	2,454.09
Additions	360.14	14.63	-	374.77
Disposals	(55.88)	-	(66.24)	(122.12)
As at 31 March 2023	**856.68**	**1,820.62**	**29.44**	**2,706.74**
Additions	37.18	-	-	37.18
Disposals	-	-	(29.44)	(29.44)
As at 31 March 2024	**893.86**	**1,820.62**	**-**	**2,714.48**
B. Accumulated depreciation				
As at 01 April 2022	193.99	62.00	78.23	334.22
For the year ended 31 March 2023	243.39	34.11	14.06	291.56
Disposals	(27.94)	-	(66.23)	(94.17)
As at 31 March 2023	**409.44**	**96.11**	**26.06**	**531.61**
For the year ended 31 March 2024	269.86	34.93	3.38	308.17
Disposals	-	-	(29.44)	(29.44)
As at 31 March 2024	**679.30**	**131.04**	**-**	**810.34**
C. Net carrying amounts (A-B)				
As at 31 March 2023	**447.24**	**1,724.51**	**3.38**	**2,175.13**
As at 31 March 2024	**214.56**	**1,689.58**	**-**	**1,904.14**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

4. Property, plant and equipment (Contd.)

f) Ageing details of capital work-in-progress (CWIP) is as below*

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,049.45	577.42	-	-	3,626.87
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2024	**3,049.45**	**577.42**	**-**	**-**	**3,626.87**
Projects in progress	2,804.70	100.68	-	-	2,905.38
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023	**2,804.70**	**100.68**	**-**	**-**	**2,905.38**

*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

CWIP Projects in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balasore FOB plant	123.36	-	-	-	123.36
As at 31 March 2024	**123.36**	**-**	**-**	**-**	**123.36**
Timmapur Panel plant automation	201.26	-	-	-	201.26
Balasore FOB plant	125.62	-	-	-	125.62
Balasore panel plant	125.74	-	-	-	125.74
Others	194.03	-	-	-	194.03
As at 31 March 2023	**646.65**	**-**	**-**	**-**	**646.65**

No projects have been temporarily suspended as at 31 March 2024 and 31 March 2023.

5. Investment property

A. Reconciliation of carrying amount

Particulars	As at 31 March 2024	As at 31 March 2023
Cost or Deemed cost (Gross carrying amount) (a)		
Opening balance	2,204.89	2,204.89
Disposals	-	-
Closing balance	**2,204.89**	**2,204.89**
Accumulated depreciation (b)		
Opening balance	263.17	232.80
Depreciation for the year	30.37	30.37
Closing balance	**293.54**	**263.17**
Net carrying amounts (a-b)	**1,911.35**	**1,941.72**
Fair value	**7,570.00**	**7,594.50**

B. Amounts recognised in profit or loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rental income derived from investment properties (refer note 24)	559.98	497.63
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	559.98	497.63
Less: Depreciation	30.37	30.37
Profit arising from investment properties before indirect expenses	529.61	467.26

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

5. Investment property (Contd.)

C. Measurement of fair values

(i) Fair valuation hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuer is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used (see note 2(E)).

(ii) Valuation technique

Discounted cash flows method and Market comparable method have been used for valuation. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants, if any. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

D. Investment property comprises of the following:

(i) The Company along with other co-owners, has developed a plot of land at 25 Barakhamba Road, New Delhi, where the Company's share is 15%. The registration of the said plot of the value of INR 427.60 lacs (31 March 2023: INR 427.60 lacs) in the name of the Company is pending. Refer details below:

Title deeds not held in the name of the Company:

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or their employee	Property held since which date	Reason for not being held in the name of the Company
Land as at 31 March 2024 and 31 March 2023	427.60	The Embassy of Union of Soviet Socialist Republics	No	1,989	The process of transfer of property in the name of the Company, is in progress.

(ii) The Company has given the investment properties located in New Delhi and Hyderabad on operating lease to some parties. Certain lease agreements are cancellable and some are non-cancellable in nature. There are no contingent rents in the lease agreements. The lease terms are mainly for 3 to 5 years and are renewable at the option of the lessee. There are no restrictions imposed by lease agreements on realisability of the investment property. Although there are sub-lease rights given to the lessees, there are no sub-leases as on the reporting date.

E. Refer note 44 for details of minimum lease receipts.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

6. Goodwill and Other intangible assets

Particulars	Goodwill	Other intangible assets					Intangible assets under development (refer note (a) below)
		Softwares	Brand	Non-compete fee	Service concession arrangements	Total	
Reconciliation of carrying amount							
A. Cost or Deemed cost (Gross carrying amount)							
As at 01 April 2022	-	1,485.36	-	-	1,997.94	3,483.30	251.73
Acquisitions through business combination (refer note 33)	747.25	-	157.76	27.35	-	185.11	-
Additions	-	442.05	-	-	-	442.05	356.43
Disposals	-	(71.63)	-	-	-	(71.63)	-
Transfers to Intangible assets	-	-	-	-	-	-	(442.05)
As at 31 March 2023	**747.25**	**1,855.78**	**157.76**	**27.35**	**1,997.94**	**4,038.83**	**166.11**
Additions	-	311.87	-	-	-	311.87	664.27
Disposals	-	-	-	-	-	-	-
Transfers to Intangible assets	-	-	-	-	-	-	(311.87)
As at 31 March 2024	**747.25**	**2,167.65**	**157.76**	**27.35**	**1,997.94**	**4,350.70**	**518.51**
B. Accumulated amortisation							
As at 01 April 2022	-	796.45	-	-	551.87	1,348.32	-
Amortisation for the year	-	282.33	19.62	3.40	87.64	392.99	-
Disposals	-	(36.83)	-	-	-	(36.83)	-
As at 31 March 2023	**-**	**1041.95**	**19.62**	**3.40**	**639.51**	**1,704.48**	**-**
Amortisation for the year	-	340.59	31.55	5.47	87.64	465.25	-
Disposals	-	-	-	-	-	-	-
As at 31 March 2024	**-**	**1382.54**	**51.17**	**8.87**	**727.15**	**2,169.73**	**-**
C. Net carrying amounts (A-B)							
As at 31 March 2023	**747.25**	**813.83**	**138.14**	**23.95**	**1358.43**	**2,334.35**	**166.11**
As at 31 March 2024	**747.25**	**785.11**	**106.59**	**18.48**	**1270.79**	**2,180.97**	**518.51**

Notes:

(a) Ageing details of intangible assets under development (IAUD) is as below*

Particulars	For intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	425.49	87.35	5.67	-	518.51
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2024	**425.49**	**87.35**	**5.67**	**-**	**518.51**
Projects in progress	60.43	56.79	48.89	-	166.11
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023	**60.43**	**56.79**	**48.89**	**-**	**166.11**

*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

6. Goodwill and Other intangible assets (Contd.)

Particulars	IAUD to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	44.88		-	-	44.88
As at 31 March 2024	**44.88**		**-**	**-**	**44.88**
Others	139.36		-	-	139.36
As at 31 March 2023	**139.36**		**-**	**-**	**139.36**

No projects have been temporarily suspended as at 31 March 2024 and 31 March 2023.

(b) The Company has not revalued any intangible assets after initial recognition, during the year ended 31 March 2024 and 31 March 2023.

(c) Impairment

See accounting policy in note 3(g).

Impairment testing for cash generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Company's operating division which represents the lowest level within the Company at which goodwill is monitored for internal management purposes, not higher than the Company's operating segment. The goodwill acquired through business combination has been allocated to CGU "Cuttack unit" which is part of the Building Solutions segment of the Company (refer note 33 for details). The carrying amount of goodwill as at 31 March 2024 is INR 747.25 lacs.

Following key assumptions were considered for goodwill valuation :

Particulars	As at 31 March 2024	As at 31 March 2023
Budgeted annual growth rate for 5 years (Average)	17.62%	15.00%
Terminal value growth rate	3.00%	3.00%
Budgeted EBITDA margins for 5 years (Average)	9.00% to 20.00%	11.60% to 16.01%
Weighted average cost of capital % (WACC) post tax	15.10%	14.90%

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) = (We*Re)+(Wd*Rd)

Re = Risk free return + (market premium x beta for the Company)+ additional risk premium.

*Rd = Cost of debt *(1-tax rate)*

We,Wd = Average debt to capital ratio

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value. Accordingly, no impairment charges were recognised for the year ended 31 March 2024 and 31 March 2023.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024
(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

7 Investments

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Interest in subsidiary		
Investment in equity instruments - unquoted- at cost less provision for other than temporary impairment*		
HIL International GmbH, Germany : 34025000 equity shares of Euro 1 each fully paid (refer note 54)	27,346.24	27,346.24
(31 March 2023 : 34025000 equity shares of Euro 1 each fully paid)		
	27,346.24	**27,346.24**
Refer note 53(a) for details of subsidiary.		
Interest in joint venture		
Investment in equity instruments - unquoted - at cost less provision for other than temporary impairment		
Supercor Industries Limited, Nigeria: 4125000 equity shares of Naira 1 each fully paid (refer note 54)	142.60	142.60
(31 March 2023 : 4125000 equity shares of Naira 1 each fully paid)		
Less: Provision for investment in joint venture	(142.60)	(142.60)
	-	-
Refer note 53(b) for details of joint venture.		
Investment in equity instruments - unquoted at FVOCI (refer note (a) below)		
Birla Buildings Limited - 5000 equity shares of INR 10 each fully paid	33.73	33.66
(31 March 2023 : 5000 equity shares of INR 10 each fully paid)		
	33.73	**33.66**
	27,379.97	**27,379.90**
Aggregate amount of unquoted non-current investments	27,522.57	27,522.50
Aggregate amount of provision for impairment in value of non-current investments	142.60	142.60

***Impairment testing for investments held in subsidiary**

Basis the indicators of impairment, the Company assesses the possible impairment in the value of its investments in its wholly owned subsidiary company (HIL International GmbH) by using discounted cash flow (DCF) method.

Following are the key assumptions were considered while performing the impairment testing during the current year:

Particulars	As at 31 March 2024
Annual growth rate for 5 years (Average)	16.31%
Terminal value growth rate	0.50%
Budgeted EBITDA margins for 5 years (Average)	7.32%
Weighted average cost of capital % (WACC)	13.80%

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) = (We*Re)+(Wd*Rd)

Re = Risk free return + (market premium x beta for the Company)+ additional risk premium.

*Rd = Cost of debt *(1-tax rate)*

We,Wd = Average debt to capital ratio

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the investments in subsidiaries to be less than the carrying value. No impairment charges were recognised for the year ended 31 March 2024 and 31 March 2023.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

7 Investments (Contd.)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Investments in mutual funds - quoted at FVTPL	10,229.38	-
	10,229.38	**-**
Aggregate book value of quoted current investments	10,229.38	-
Aggregate market value of quoted current investments	10,229.38	-

(a) Equity shares designated as at fair value through other comprehensive income

The Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Company intends to hold long-term for strategic purposes.

Particulars	Investment in Birla Buildings Limited	
	As at 31 March 2024	As at 31 March 2023
Fair value at beginning of the year	33.66	34.24
Dividend income recognised during the respective year (refer note 24)	0.25	0.38
Fair value at end of the year	33.73	33.66

Non-current

No strategic investments were disposed off during the year ended 31 March 2024 and 31 March 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

The Company has not traded or invested in Crypto currency or Virtual currency during the year ended 31 March 2024 and 31 March 2023.

Refer note 55(A) and 55(C) for the Group's exposure to fair value measurement, credit risk and market risk.

8 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Secured	22.80	20.80
Unsecured	693.41	510.04
	716.21	**530.84**
Less: Provision for impairment	(685.00)	(510.04)
	31.21	**20.80**
Current		
Secured	1,552.85	1,421.61
Unsecured (refer note 40 for receivables from related parties)	12,615.47	10,214.73
	14,168.32	**11,636.34**
Less: Provision for impairment	(687.28)	(640.50)
	13,481.04	**10,995.84**

Refer note 17 for details of trade receivables pledged against borrowings.

There are no outstanding trade receivables from directors or other officers of the Company or from firms or private companies in which director is partner or member as at 31 March 2024 and as at 31 March 2023.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

8 Trade receivables (Contd.)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
– considered good	4,687.24	8,667.61	102.55	16.12	7.52	-	13,481.04
– credit impaired	42.54	139.67	228.33	158.86	20.27	97.61	687.28
Total undisputed trade receivables (A)	**4,729.78**	**8,807.28**	**330.88**	**174.98**	**27.79**	**97.61**	**14,168.32**
Disputed trade receivables							
– considered good	-	12.71	18.50	-	-	-	31.21
– credit impaired	-	-	22.84	69.52	47.77	544.87	685.00
Total disputed trade receivables (B)	**-**	**12.71**	**41.34**	**69.52**	**47.77**	**544.87**	**716.21**
As at 31 March 2024 (A+B)	**4,729.78**	**8,819.99**	**372.22**	**244.50**	**75.56**	**642.48**	**14,884.53**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
– considered good	4,424.97	6,464.60	80.21	26.06	-	-	10,995.84
– credit impaired	13.87	77.48	61.11	60.03	69.22	358.79	640.50
Total undisputed trade receivables (A)	**4,438.84**	**6,542.08**	**141.32**	**86.09**	**69.22**	**358.79**	**11,636.34**
Disputed trade receivables							
– considered good	-	10.01	10.79	-	-	-	20.80
– credit impaired	-	-	8.94	31.16	98.86	371.08	510.04
Total disputed trade receivables (B)	**-**	**10.01**	**19.73**	**31.16**	**98.86**	**371.08**	**530.84**
As at 31 March 2023 (A+B)	**4,438.84**	**6,552.09**	**161.05**	**117.25**	**168.08**	**729.87**	**12167.18**

There were no unbilled receivables as at 31 March 2024 and as at 31 March 2023.

Refer note 55 (C) for the Company's exposure to credit risk and market risk.

9 Loans

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Loan to subsidiary		
Unsecured, considered good (refer note 54 (b) and 40)	12,136.08	8,499.34
	12,136.08	**8,499.34**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

10 Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Security deposits	1,429.67	1,383.24
Bank deposits due to mature after 12 months from the reporting date*	6.79	6.79
Derivative assets	132.38	490.42
	1,568.84	**1,880.45**
Doubtful		
Security deposits	25.00	25.00
Other receivables	644.68	644.68
	669.68	**669.68**
Less: Provision for doubtful other financial assets	(669.68)	(669.68)
	-	-
	1,568.84	**1,880.45**
* It includes bank deposits held against bank guarantees amounting to INR 6.79 lacs (31 March 2023: INR 6.79 lacs).		
Current		
Unsecured, considered good		
Interest accrued on fixed and security deposits	60.26	50.20
Interest accrued on loan to subsidiary (refer note 40)	2,060.87	1,190.37
Derivative assets	644.90	1,292.36
Commission accrued on corporate guarantee fee (refer note 40)	72.43	-
Contract assets	27.04	8.50
Other receivables	4.74	4.75
	2,870.24	**2,546.18**
Doubtful		
Dividend receivable	9.01	9.01
Less: Allowance for doubtful receivable (refer note 40)	(9.01)	(9.01)
	-	-
	2,870.24	**2,546.18**

11 Other assets

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Capital advances	440.11	259.63
Advances other than capital advances		
Balance with government authorities	1,073.49	887.75
Prepayments	59.81	59.50
	1,573.41	**1,206.88**
Doubtful		
Advances other than capital advances		
Advance to suppliers and service providers	160.72	160.72
	160.72	**160.72**
Less: Allowance for doubtful advances	(160.72)	(160.72)
	-	-
	1,573.41	**1,206.88**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

11 Other assets (Contd..)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Unsecured, considered good		
Advances other than capital advances		
Advance to suppliers and service providers	4,348.79	5,319.12
Advance to employees	128.19	98.57
Balance with government authorities	719.07	894.59
Prepayments	338.65	301.74
Others		
Non-current assets held for sale*	18.72	54.11
	5,553.42	**6,668.13**

* During the previous year, certain non-factory land, buildings and plant and equipment were classified as non-current assets held for sale based on approval from Board of Directors of the Company. The Company is intending to sell these assets by the end of next financial year and efforts to sell have started. Certain land and buildings classified under non-current assets held for sale have been sold during the year. Profits arising on the sale transactions have been reported under Exceptional items in the statement of profit and loss (refer note 66).

12 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
(Valued at lower of cost and net realisable value)		
Raw materials	18,802.43	15,035.90
Work-in-progress	586.49	671.24
Finished goods	17,746.42	16,329.65
Stock-in-trade	417.09	480.37
Stores and spares	1,502.42	1,487.39
	39,054.85	**34,004.55**
Inventories in transit		
Raw materials	2,215.83	2,712.93
Finished goods	148.74	34.06
Stores and spares	8.68	-
	2,373.25	**2,746.99**
	41,428.10	**36,751.54**

The write down of inventories to net realisable value during the year amounted to INR 330.49 lacs (31 March 2023: INR 285.87 lacs). The write down are included in changes in inventories of finished goods.

Refer note 17 for details of inventories pledged against borrowings.

13 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
- on current accounts	6,846.25	953.39
	6,846.25	**953.39**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

14 Bank balances other than Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Unpaid dividend accounts	79.69	85.31
Deposits with banks with original maturity of more than 3 months but remaining maturity of less than 12 months*	12.14	1.00
	91.83	**86.31**

*It includes bank deposits held against bank guarantees amounting to INR 12.14 lacs (31 March 2023: NIL)

15 Share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised share capital		
9500000 (31 March 2023: 9500000) equity shares of INR 10 each	950.00	950.00
50000 (31 March 2023: 50000) preference shares of INR 100 each	50.00	50.00
	1,000.00	**1,000.00**
Issued, subscribed and fully paid-up capital		
7540899 (31 March 2023: 7537563) equity shares of INR 10 each fully paid-up	754.09	753.76
Forfeited shares (amount originally paid-up)	2.72	2.72
	756.81	**756.48**

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2024		31 March 2023	
	Number of shares	Amount INR In Lacs	Number of shares	Amount INR In Lacs
Shares outstanding at the beginning of the year	75,37,563	753.76	75,13,903	751.39
Shares issued on exercise of Employee Stock Option Scheme (refer note 42)	3,336	0.33	23660	2.37
Shares outstanding at the end of the year	**75,40,899**	**754.09**	**75,37,563**	**753.76**

(ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a face value of INR 10/- each. Accordingly, all equity shares rank equal with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Particulars of shareholders holding more than 5% of total number of equity shares

Equity shares of INR 10 each, fully paid-up	31 March 2024		31 March 2023	
	Number of shares	% of Holding	Number of shares	% of Holding
Central India Industries Limited	10,74,634	14.25%	10,74,634	14.26%
Orient Paper and Industries Limited	9,06,360	12.02%	9,06,360	12.02%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownership of shares.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024
(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

15 Share capital (Contd..)

(iv) Shares reserved for issue under Option

For details of shares reserved for issue under Employee Stock Option Schemes of the Company, refer note 42

(v) Equity shares of INR 10 each, held by promoters at the end of the year

S. No.	Name of the promoter	31 March 2024			31 March 2023		
		Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1	Mr. Chandra Kant Birla	51,376	0.68%	-	51,376	0.68%	-
2	Amer Investments (Delhi) Limited	3,08,763	4.09%	-	3,08,763	4.10%	-
3	Hitaishi Investments Limited	67,066	0.89%	-	67,066	0.89%	-
4	Hyderabad Agencies Private Limited	4,100	0.05%	-	4,100	0.05%	-
5	Orient Paper and Industries Limited	9,06,360	12.02%	-	9,06,360	12.02%	-
6	Universal Trading Company Limited	4,000	0.05%	-	4,000	0.05%	-
7	Central India Industries Limited	10,74,634	14.25%	-	10,74,634	14.26%	-
8	Gwalior Finance Corporation Limited	96,200	1.28%	-	96,200	1.28%	-
9	Ranchi Enterprises and Properties Limited	4,500	0.06%	-	4,500	0.06%	-
10	Ashok Investment Corporation Limited	3,17,743	4.21%	-	3,17,743	4.22%	-
11	Shekhavati Investments and Traders Limited	2,24,470	2.98%	-	2,24,470	2.98%	-
		30,59,212	**40.56%**	**-**	**30,59,212**	**40.59%**	**-**

16 Other equity

(A) Reserves and surplus

(i) Securities premium

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the commencement of the year	1,593.43	1,192.50
Add: Premium received on exercise of employee stock options	56.53	400.93
	1,649.96	**1,593.43**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the commencement of the year	44,100.00	43,100.00
Add: Amount transferred from surplus balance in the standalone statement of profit and loss	-	1,000.00
	44,100.00	**44,100.00**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

16 Other equity (Contd.)

(A) Reserves and surplus (Contd.)

(iii) Capital redemption reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the commencement of the year	35.00	35.00
Add: Additions during the year	-	-
	35.00	**35.00**

Capital redemption reserve was created for redemption of preference shares and the balance represents the unutilised amount after complete redemption of the same.

(iv) Share options outstanding account

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the commencement of the year	13.58	230.95
Less: Transferred to securities premium on exercise of stock options	(15.70)	(111.29)
Add: Share based payment expenses (refer note 28)	348.04	(106.08)
	345.92	**13.58**

The Company has formulated equity-settled share-based payment plans for certain categories of employees of the Company. Refer note 42 for further details on these plans.

(v) Retained earnings

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the commencement of the year	64,895.40	57,685.20
Add: Profit for the year	10,297.67	13,009.84
Items of other comprehensive income directly recognised in retained earnings		
- Remeasurement of defined benefit (asset) / liability, net of tax	(13.86)	88.69
Amount available for appropriations	**75,179.21**	**70,783.73**
Less : Appropriations		
Interim dividend on equity shares (amount per share INR 15.00 (31 March 2023: INR 20.00))	(1,131.13)	(1,507.07)
Transferred to general reserve	-	(1000.00)
Final. dividend on equity shares (amount per share INR 25.00 (31 March 2023: INR 45.00))	(1,884.39)	(3,381.26)
Total appropriations	**(3,015.52)**	**(5,888.33)**
Total retained earnings	**72,163.69**	**64,895.40**
Total reserves and surplus (A)	**1,18,294.57**	**1,10,637.41**

(B) Other comprehensive income ("OCI")

Particulars	As at 31 March 2024	As at 31 March 2023
Equity investments through OCI		
Balance at the commencement of the year	24.83	25.29
Changes in fair value	0.05	(0.46)
Total other comprehensive income (B)	24.88	24.83
Total (A+B)	**1,18,319.45**	**1,10,662.24**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

16 Other equity (Contd.)

(B) Other comprehensive income ("OCI") (Contd.)

Dividends

After the reporting dates, the following dividends on equity shares were proposed by the Board of Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as liabilities.

Particulars	As at 31 March 2024	As at 31 March 2023
Dividend on equity shares (amount per equity share INR 22.50 (31 March 2023: INR 25.00))	1,696.70	1,884.39

Dividends paid during the year ended 31 March 2024 include an amount of INR 25.00 per equity share towards final dividend for the year ended 31 March 2023 and an amount of INR 15.00 per equity share towards interim dividend for the year ended 31 March 2024. Dividends paid during the year ended 31 March 2023 include an amount of INR 45.00 per equity share towards final dividend (including an additional final dividend of INR 20.00 per share to commemorate the celebration of Platinum Jubilee on completion of 75 years of incorporation) for the year ended 31 March 2022 and an amount of INR 20.00 per equity share towards interim dividend for the year ended 31 March 2023.

The Board of Directors of the Company have recommended a final dividend of INR 22.50 per share (225%) on 07 May 2024 for the financial year ended 31 March 2024. This, together with an interim dividend of INR 15.00 per share (150%) declared during the year, the total dividend for the financial year ended 31 March 2024 works out to INR 37.50 per share (375%) on equity shares of INR 10 each.

17 Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current borrowings		
Secured		
Term loan from banks (refer note (d) below)	11,200.00	-
Term loan from others		
- Interest free sales tax loan from a financial institution (refer note (a) below)	-	1,187.80
	11,200.00	**1,187.80**
Current borrowings		
Unsecured		
Loans repayable on demand		
From banks		
- Working capital loan (refer note (c) below)*	18,014.69	10,520.54
Deferred payment liabilities		
- Current maturities of deferred sales tax loan (refer note (b) below)	-	4.98
Secured		
Term loan from banks		
- Current maturities of term loan (refer note (d) below)*	803.95	-
Term loan from others		
- Current maturities of interest free sales tax loan from a financial institution (refer note (a) below)	1,291.27	-
	20,109.91	**10,525.52**
	31,309.91	**11,713.32**

*Includes an amount of INR 14.69 lacs and INR 3.95 lacs for year ended 31 March 2024 (31 March 2023: INR 20.54 lacs and INR NIL), towards the interest accrued but not due on working capital loan and term loan, respectively.

(a) Represents interest free sales tax loan taken from a financial institution, which is repayable after 7 years from the date of its respective disbursement. The last instalment is falling due in August 2024. As per the agreement, these loans are secured by way of first charge on its entire assets of Sathariya unit, first charge on plant and equipment of its Balasore unit and collateral security of Corporate office building of the Company located at Gachibowli, Hyderabad.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

17 Borrowings (Contd.)

(b) Deferred sales tax loan was sanctioned towards the sales tax dues relating to Thimmapur unit. The loan was interest free and was completely repaid during the year.

(c) During the year ended 31 March 2024, the Company availed working capital loans from five banks (INR 9450 lacs from Hongkong and Shanghai Banking Corporation Limited, INR 16150 lacs from Kotak Mahindra Bank Limited, INR 13000 lacs from The Federal Bank Limited, INR 12000 lacs from HDFC Bank Limited and INR 3450 lacs from ICICI Bank Limited), out of which an amount of INR 4950 lacs from Hongkong and Shanghai Banking Corporation Limited, INR 600 lacs from Kotak Mahindra Bank Limited, INR 5000 lacs from The Federal Bank Limited, INR 4000 lacs from HDFC Bank Limited and INR 3450 lacs from ICICI Bank Limited are outstanding as at 31 March 2024 . The loans are repayable on demand and carry an interest rate as linked to T-Bill Rate + spread and Repo Rate + spread which has been in the range of 7.16% p.a. to 8.65% p.a during the year (31 March 2023: 5.75% p.a. to 7.95% p.a).

(d) During the year ended 31 March 2024, the Company has availed the following loans:

1. A term loan of INR 4000 lacs from Kotak Mahindra Bank secured by way of first and exclusive charge on identified movable and immovable fixed assets of the Company. The outstanding amount of INR 4000 lacs is repayable with one year moratorium in 16 quarterly instalments of INR 250 lacs each from June 2025 to March 2029. The said loan carried an interest rate of 8.50% p.a. during the year.

2. A term loan of INR 8000 lacs from The Federal Bank Limited secured by way of first and exclusive charge on identified fixed assets. The outstanding amount of INR 8000 lacs is repayable in 20 quarterly instalments of INR 200 lacs each from June 2024 to March 2025 and INR 450 lacs each from June 2025 to March 2029. The said loan carried an interest rate of 8.40% p.a. during the year.

(e) An amount of INR 7000 lacs was sanctioned in favour of the Company by State Bank of India Limited (SBI) against security of current assets of the Company. Quarterly returns or statements of current assets filed by the Company to SBI are in agreement with the books of account. In December 2023, the Company has closed all the facilities with SBI.

(f) There were no delays / defaults in repayment of dues or delays in payment of interest to banks and financial institutions.

(g) In respect of the following charges, the Company is in the process of collecting no due certificate from the respective parties and the same is expected to get closed in the next financial year. The charges on these loans are open with Registrar of Companies (ROC) Hyderabad:

1. Indian Oil Corporation Limited amounting to INR 4 lacs.

Refer note 55 (C) for the Company's exposure to interest rate and liquidity risks.

18 Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Lease liabilities (refer note 50)	349.27	482.74
	349.27	**482.74**
Current		
Lease liabilities (refer note 50)	165.22	275.74
	165.22	**275.74**

19 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 41)	2,068.83	2,203.00
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 40 for payables to related parties)	21,729.10	21,223.60
	23,797.93	**23,426.60**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

19 Trade payables (Contd.)

Particulars	Outstanding for following periods from the due date of payment						Total
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,458.02	610.81	-	-	-	2,068.83
(ii) Others	4,768.34	12,800.32	3,803.93	88.64	74.81	123.28	21,659.32
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	69.78	69.78
As at 31 March 2024	**4,768.34**	**14,258.34**	**4,414.74**	**88.64**	**74.81**	**193.06**	**23,797.93**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1141.39	1,059.35	-	2.26	-	2,203.00
(ii) Others	4,399.29	10,930.31	5,558.59	95.48	62.12	106.98	21,152.77
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	70.83	70.83
As at 31 March 2023	**4,399.29**	**12,071.70**	**6,617.94**	**95.48**	**64.38**	**177.81**	**23,426.60**

Refer note 55 (C) for the Company's exposure to interest rate and liquidity risks.

20 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Liabilities on business acquisition (refer note 33)	21.68	19.27
	21.68	**19.27**
Current		
Capital creditors (refer note 41)	1,154.89	1,149.56
Unpaid dividend*	79.69	85.31
Sundry deposits	4,502.94	4,527.22
Derivative liabilities	-	7.27
Contract liability against performance obligation	1,571.12	1,295.53
Contract liability against payment	1,957.20	2,427.10
Liabilities on business acquisition (refer note 33)	33.06	46.81
Other financial liabilities - discounts and commissions	1,943.39	1,793.27
	11,242.29	**11,332.07**

* Amount lying in unpaid / unclaimed dividend account shall be credited to Investor Education and Protection Fund as per the timelines prescribed under the Companies Act, 2013 with due approvals.

21 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Provision for employee benefits		
- Gratuity (refer note 36)	415.14	316.12
- Other long-term employee benefit plans	359.87	340.57
- Compensated absences	783.55	676.88
	1,558.56	**1,333.57**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

21 Provisions (Contd.)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Provision for employee benefits		
- Compensated absences	140.78	112.90
- Other long-term employee benefit plans	368.71	175.85
- Employee related other costs (refer note 51)	13.32	-
Other provisions		
- Provision for litigations (refer note 51)	253.92	307.25
- Provision - others (refer note 51)	390.00	390.00
	1,166.73	**986.00**

22 Other liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Government grant*	-	28.18
	-	**28.18**
Current		
Statutory liabilities	1,093.81	893.44
Government grant*	28.18	84.55
Advance for sale of non-current asset held for sale	830.00	-
Other liabilities - statutory obligations	1,252.96	1,696.83
	3,204.95	**2,674.82**

*Government grant is recognised on fair valuation of Interest free sales tax loan.

23 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers		
- Sale of products		
Finished goods	2,07,681.01	2,06,196.12
Traded goods	14,036.46	8,431.70
- Sale of services		
Service concession arrangements (refer note 43)	220.62	225.48
Other operating revenues		
- Scrap sales	707.56	571.38
- Liabilities no longer required, written back	439.62	95.80
	2,23,085.27	**2,15,520.48**

Disaggregation of revenue

Particulars	Reportable segments for the year ended 31 March 2024			
	Roofing Solutions	Building Solutions	Polymer Solutions	Others
By sources of revenue				
Revenue from contracts with customers	1,14,189.02	54,081.01	53,363.93	304.13
Other operating revenues	517.42	440.83	174.29	14.64
	1,14,706.44	**54,521.84**	**53,538.22**	**318.77**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

23 Revenue from operations (Contd.)

Disaggregation of revenue (Contd.)

Particulars	Reportable segments for the year ended 31 March 2024			
	Roofing Solutions	Building Solutions	Polymer Solutions	Others
By geographical markets				
- India	1,14,026.81	54,008.56	53,523.75	304.55
- Others	679.63	513.28	14.47	14.22
	1,14,706.44	**54,521.84**	**53,538.22**	**318.77**
By major product lines				
- Cement based products: sheets, panels, boards	1,14,706.44	21,959.99	-	-
- Pipes and Fittings	-	-	34,252.35	-
- Putty and dry mix	-	524.53	14,707.08	-
- Fly ash blocks	-	32,037.32	-	-
- Others	-	-	4578.79	318.77
	1,14,706.44	**54,521.84**	**53,538.22**	**318.77**
Timing of revenue recognition				
Products transferred at a point in time	1,14,706.44	54,521.84	53,538.22	318.77
Products and services transferred over time	-	-	-	-
	1,14,706.44	**54,521.84**	**53,538.22**	**318.77**

Particulars	Reportable segments for the year ended 31 March 2023			
	Roofing Solutions	Building Solutions	Polymer Solutions	Others
By sources of revenue				
Revenue from contracts with customers	1,11,209.07	50,755.95	52,517.18	371.10
Other operating revenues	337.09	229.95	99.92	0.22
	1,11,546.16	**50,985.90**	**52,617.10**	**371.32**
By geographical markets				
- India	110759.54	50,253.97	52,492.39	371.32
- Others	786.62	731.93	124.71	-
	111546.16	**50,985.90**	**52,617.10**	**371.32**
By major product lines				
- Cement based products: sheets, panels, boards	1,11,546.16	20,209.86	-	-
- Pipes and Fittings	-	-	34,945.44	-
- Putty and dry mix	-	567.50	17,671.66	-
- Fly ash blocks	-	30,184.96	-	-
- Others	-	23.58	-	371.32
	1,11,546.16	**50,985.90**	**52,617.10**	**371.32**
Timing of revenue recognition				
Products transferred at a point in time	1,11,546.16	50,985.90	52,617.10	371.32
Products and services transferred over time	-	-	-	-
	11,15,46.16	**50,985.90**	**52,617.10**	**371.32**

Reconciliation of revenue recognised with contract prices

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contracted price	2,31,284.21	2,23,471.64
Less: Contract liability against performance obligation	1,571.12	1,295.53
Less: Discounts	7,775.00	7,322.81
	2,21,938.09	**2,14,853.30**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

23 Revenue from operations (Contd.)

Contract balances

The following table provides information about the receivables, contract assets and contract liabilities from contracts with customers:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Trade receivables	14,884.53	12,167.18
Contract assets	27.04	8.50
Contract liabilities	3,528.32	3,722.63

- Trade receivables are the amounts receivable by the Company from the Revenues from Contracts with customers and other operating revenues.
- The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date.
- The contract liabilities primarily relate to the advance consideration received from customers and contract liabilities arising from loyalty programmes of the Company. The amount of INR 3722.63 lacs included in contract liabilities at 31 March 2023 have been recognised as revenue during the year ended 31 March 2024 (31 March 2023: INR 5939.27).

No information provided about remaining performance obligations as at 31 March 2024 and 31 March 2023 that have an original expected duration of one year or less, as allowed by Ind AS 115.

24 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Dividend income on equity securities - at FVOCI- investment held at reporting date (refer note 7)	0.25	0.38
Gain on sale of current investments, net	34.20	79.56
Interest income under the effective interest method on financial assets at amortised cost	38.00	74.31
Interest income from loan to subsidiary at amortised cost (refer note 40)	864.12	659.76
Commission on corporate guarantee given for subsidiary (refer note 40)	73.36	-
Interest on income-tax refund (refer note 34)	-	504.70
Rental income		
From investment property (refer note 5)	559.98	497.63
From others	8.92	10.60
Net gain on foreign currency transactions	1,758.65	760.51
Fair value gain on financial assets measured at fair value through profit and loss, net	29.89	250.58
Government grant	84.55	84.55
Miscellaneous income	139.16	329.78
	3,591.08	**3,252.36**

25 Cost of materials consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory of materials at the beginning of the year	17,748.83	16,619.84
Add: Acquisitions through business combination (refer note 33)	-	34.18
Add: Purchases during the year	1,24,111.28	1,21,251.57
Less: Inventory of materials at the end of the year	(21,018.26)	(17,748.83)
	1,20,841.85	**1,20,156.76**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

26 Purchases of stock-in-trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of stock-in-trade	10,840.35	6,434.98

27 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the beginning of the year		
Finished goods	16,363.71	15,521.48
Stock-in-trade	480.37	388.28
Work-in-progress	671.24	360.66
	17,515.32	**16,270.42**
Inventories at the end of the year		
Finished goods	17,895.16	16,363.71
Stock-in-trade	417.09	480.37
Work-in-progress	586.49	671.24
	18,898.74	**17,515.32**
Changes in inventories	(1,383.42)	(1,244.90)
Add: Stocks of finished goods out of trial run production	-	6.15
Inventories acquired through business combinations (refer note 33)	-	12.10
	(1,383.42)	**(1,226.65)**

28 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	16,632.39	14,228.55
Contribution to provident and other funds (refer note 36)	830.96	762.35
Employee share based payment expense - equity settled (refer note 42)	348.04	(106.08)
Gratuity expenses (refer note 36)	302.19	267.39
Staff welfare expenses	1,167.89	1,043.77
	19,281.47	**16,195.98**

29 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expenses on long-term loans measured at amortised cost	20.52	-
Interest expenses on working capital loans measured at amortised cost	657.87	256.16
Interest expenses on other financial liabilities measured at amortised cost	108.18	98.46
Interest expenses on lease liabilities	48.13	62.49
Interest expenses on income-tax	-	9.58
Interest expenses on security deposits and others	240.04	236.16
	1,074.74	**662.85**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

30 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment (refer note 4)	5,991.80	5,090.61
Amortisation of intangible assets (refer note 6)	465.25	392.99
Depreciation on investment property (refer note 5)	30.37	30.37
Depreciation on right of use assets (refer note 4)	308.17	291.56
	6,795.59	**5,805.53**

31 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	4,469.57	4,453.68
Power and fuel	8,892.17	8,789.89
Contract wages	6,981.23	6,156.11
Repairs and maintenance		
Plant and equipment (excluding stores and spares consumption)	833.43	828.50
Buildings	312.44	264.64
Others	1,430.72	1,286.33
Carriage outwards	21,417.82	20,411.15
Packing expenses	1,144.59	1,074.84
Rent (refer note 50)	710.99	462.20
Rates and taxes	270.93	333.57
Insurance	203.57	204.06
Professional, consultancy and legal expenses (refer note (i) below)	3,092.62	2,438.47
Advertisement and sales promotion	3,336.55	2,820.75
Travelling and conveyance	2,185.70	2,193.09
Commission on sales	161.84	92.44
Directors' commission	105.00	120.00
Directors' fee	72.00	58.00
Donations*	400.25	100.00
Net loss on sale of property, plant and equipment	104.02	180.86
Provision for impairment of receivables, advances and other assets, net	221.74	163.46
Bad debts written off	204.69	-
Fair value loss on financial assets measured at fair value through profit and loss	998.23	-
Expenditure on corporate social responsibility (refer note 32)	388.41	343.03
Miscellaneous	1,705.80	1,600.35
	59,644.31	**54,375.42**

*Donations include INR 300.25 lacs contribution made to Electoral Trust (31 March 2023: NIL).

Note:

(i) Payment to auditors (included in professional, consultancy and legal expenses) (exclusive of taxes)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor		
Statutory audit fee	58.00	63.00
Tax audit fee	6.00	6.00
Limited review of quarterly results	30.00	27.00
Consolidation	14.00	12.00
For other services		
For certification and income-tax matters	11.40	19.80
For reimbursement of expenses	12.56	9.72
	131.96	**137.52**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024
(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

32 Details of corporate social responsibility expenditure

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Gross amount required to be spent by the Company during the year	388.41	342.64
b) Amount approved by the board to be spent during the year	388.41	342.64
c) Amount spent during the year (in cash) :		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	406.50	343.03
iii) Nature of CSR activities		
Eradicating hunger, poverty and malnutrition		
Promoting education		
Promoting gender equality		
Environmental initiatives		
Protection of national heritage, art and culture		
Disaster management		
Rural Development		
Community Development		
d) Related party transactions	-	-
e) Shortfall /(excess) at the end of the year	(18.09)	-
f) Movements in provision of liability created	-	-

Note:

In view of the ongoing CSR commitments of the Company towards promoting education, eradicating hunger, poverty and malnutrition, and community development, vis a vis, the statutory CSR obligations of the Company calculated as per the provisions of Sections 135 of Companies Act, 2013, it is likely that the amount available for setoff would be utilised by the Company in the succeeding financial year.

33 Business Acquisition

See accounting policy in note 3(v).

On 29 July 2022, the Board of Directors of the Company have approved the acquisition of AAC blocks business of Fastbuild Blocks Private Limited at a purchase consideration of INR 3702.61 lacs, through a slump sale on a going concern basis. The acquisition was completed on 17 August 2022 with compliance to the conditions specified in the agreement by the respective parties. The fair value of assets and liabilities acquired have been determined in accordance with Ind AS 103 "Business Combinations". Consequent to the acquisition, the said business has been reported under the Building Solutions segment of the Company.

A. Consideration

Particulars	INR in lacs
i. Cash paid	3,628.50
ii. Hold back amount and other indemnity amounts	74.11
iii. Total consideration as per BTA (i+ii)	**3,702.61**
iv. Present value of hold back amounts and other indemnity amounts	62.97
v. Present value of total consideration (i+iv)	**3,691.47**

B. Acquisition-related costs

The Company incurred acquisition-related costs of INR 133.78 lacs on legal fees, due diligence costs and other professional fees during the year ended 31 March 2023. These costs have been included in "legal and professional fees" under "other expenses" (refer note 31).

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

33 Business Acquisition (Contd.)

C. Identifiable assets acquired and liabilities assumed

The following table summarises the assets acquired and liabilities assumed at the date of acquisition.

Particulars	Note	INR in lacs
Assets		
Property, plant and equipment	4	2,673.22
Other intangible assets	6	185.11
Inventories	12	84.54
Trade receivables	8	270.88
Other financial assets	10	24.34
Other assets	11	34.18
		3,272.27
Liabilities		
Trade payables	19	(80.60)
Provisions	21	(21.73)
Other financial liabilities	20	(8.44)
Deferred tax liability	34E	(217.28)
Total net identifiable assets acquired		**2,944.22**

(i) **Measurement of fair values**

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Property, plant and equipment	*Market comparison technique and cost technique:* The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangibles	*Relief-from-royalty method and with-without method:* Brand value is arrived using relief-from-royalty method by considering a five year projection of discounted estimates of net revenues, adjusted with the present value of tax amortization benefits on possible future amortizations of the brand. For valuing non-compete fees, with-without method has been used. A five year impact on revenues and cash-flows with and with out a non-compete agreement is estimated. The fair value so arrived is adjusted with the present value of future tax amortization benefits.
Inventories	*Market comparison technique:* The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(ii) **Acquired receivables:**

Fair value of the acquired trade receivables at the date of acquisition is INR 270.88 lacs. The trade receivables comprise gross contractual amounts due of INR 270.88 lacs, of which INR NIL was expected to be uncollectable at the date of acquisition.

D. Goodwill

Goodwill arising from the acquisition has been recognised as follows:

Particulars	Note	INR in lacs
Total consideration as per BTA		3,702.61
Present value consideration as per BTA	(A)	3,691.47
Fair value of net identifiable assets	(C)	2,944.22
Goodwill	(A-C)	**747.25**

The goodwill is attributable mainly to the synergies, expected to be achieved from integrating the acquired assets into the Company's existing Building Solutions segment business. None of the goodwill recognised is expected to be deductible for tax purposes.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024
(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

33 Business Acquisition (Contd.)

D. Goodwill (Contd.)

For the period 17 August 2022 to 31 March 2023, acquired business contributed revenue of INR 1527.39 lacs and a loss before tax of INR 344.07 lacs to the Company's results. If the acquisition had occurred on 01 April 2022, management estimates that revenue of the Company would have been INR 216444.04 lacs and Profit before tax of the Company would have been INR 16189.45 lacs, for the year ended 31 March 2023. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 01 April 2022.

34 Income-tax

(A) Amount recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	3,531.34	3,859.89
Income-tax for earlier years	53.07	(837.07)
Deferred tax attributable to temporary differences	(579.33)	335.31
Tax expenses	**3,005.08**	**3,358.13**

Current tax for the year ended 31 March 2023 includes reversal of income-tax expense of earlier years amounting to INR 837.07 lacs on account of receipt of assessment orders from Income Tax Appellate Tribunal. The Company has also received interest on income-tax refund amounting to INR 504.70 lacs against the refund received during the year ended 31 March 2023.

(B) Amount recognised in other comprehensive income ("OCI")

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Deferred tax related to items recognised in OCI		
Deferred tax income / (expense) on remeasurements of defined benefit (asset) / liability	4.64	(29.83)
Deferred tax (expense) / income on fair value gain on investments in equity instruments through OCI	(0.02)	0.12
Deferred tax income / (expense) recognised in OCI	**4.62**	**(29.71)**

(C) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	13,302.75	16,367.97
Enacted tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	3,348.04	4,119.49
Tax effect of:		
Non-deductible tax expenses	209.69	110.61
Rate difference	(44.93)	0.20
Recognition of tax allowances	(567.14)	(35.10)
Others	6.35	-
	2,952.01	**4,195.20**
Adjustments in respect of income-tax for earlier years	53.07	(837.07)
Income-tax expense recognised in the standalone statement of profit and loss	**3,005.08**	**3,358.13**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

34 Income-tax (Contd..)

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

Particulars	31 March 2024	31 March 2023
Deferred tax liabilities		
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	5,274.57	5,336.46
Fair value gain on derivatives	-	181.72
Right of use assets	313.13	382.84
Others	10.05	14.80
Total deferred tax liabilities (A)	**5,597.75**	**5,915.82**
Deferred tax assets		
Allowable for tax purposes on payment basis	1,559.44	1,415.34
Provision for doubtful trade receivables	592.58	536.72
Lease liabilities	129.49	190.89
Others	187.70	60.35
Total deferred tax assets (B)	**2,469.21**	**2,203.30**
Net deferred tax liability (A-B)	**3,128.54**	**3,712.52**

(E) Movement in temporary differences:

Particulars	Balance as at 01 April 2022	Acquired on business combination	Recognised in profit or loss during 2022-23	Recognised in OCI during 2022-23	Balance as at 31 March 2023	Recognised in profit or loss during 2023-24	Recognised in OCI during 2023-24	Balance as at 31 March 2024
Deferred tax liabilities								
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	5,493.69	217.28	(374.51)	-	5336.46	(61.89)	-	5,274.57
Fair valuation gain in derivatives	181.72	-	-	-	181.72	(181.72)	-	-
Right of use assets	135.78	-	247.06	-	382.84	(69.71)	-	313.13
Others	17.64	-	(2.72)	(0.12)	14.80	(4.76)	0.02	10.05
Total deferred tax liabilities (A)	**5,828.83**	**217.28**	**(130.17)**	**(0.12)**	**5,915.82**	**(318.08)**	**0.02**	**5,597.75**
Deferred tax assets								
Allowable for tax purposes on payment basis	1887.72	-	(472.38)	-	1415.34	144.10	-	1,559.44
Provision for doubtful trade receivables	495.58	-	41.14	-	536.72	55.86	-	592.58
Lease liabilities	174.17		16.72	-	190.89	(61.41)	-	129.49
Others	141.14	-	(50.96)	(29.83)	60.35	122.70	4.64	187.70
Total deferred tax assets (B)	**2,698.61**	**-**	**(465.48)**	**(29.83)**	**2,203.30**	**261.25**	**4.64**	**2,469.21**
Net deferred tax (asset) / liability (A-B)	**3,130.22**	**217.28**	**335.31**	**29.71**	**3712.52**	**(579.33)**	**(4.62)**	**3,128.54**

35 Operating segments

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segment are presented in these standalone financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36 Employee benefits

The Company has the following post-employment benefit plans:

(a) Defined contribution plan

The following amount has been recognised as an expense in standalone statement of profit and loss on account of contribution to provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	31 March 2024	31 March 2023
Contribution to provident fund	819.45	728.85
Contribution to employees state insurance schemes	11.51	12.94
Contribution to superannuation fund	-	20.56
	830.96	**762.35**

(b) Defined benefit plan

In accordance with the 'The Payment of Gratuity Act, 1972', the Company provides for Gratuity, the Employees' Gratuity Fund Scheme (the Gratuity Plan), covering eligible employees. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at the end of the year and are charged to the standalone statement of profit and loss. This defined benefit plans expose the Company to actuarial risks, such as liquidity risk, interest rate risk, investment risk, etc.

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

The Gratuity plan is administered through Group Gratuity Scheme with Life Insurance Corporation of India ("LIC"). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The Company has determined that, in accordance with the terms and conditions of the gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan of the relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. As such, no decrease in the defined benefit asset is necessary at 31 March 2024 (31 March 2023: no decrease in defined benefit asset). Project unit credit method has been used for valuation.

i. Reconciliation of the net defined benefit (asset) / liability

The following tables summarises the components of net benefit expense recognised in the standalone statement of profit and loss, the funded status and amount recognised in the standalone balance sheet for the gratuity plan:

Particulars	31 March 2024	31 March 2023
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	2,421.39	2,277.35
Current service cost	278.59	245.04
Interest cost	180.78	157.02
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	54.82	(92.10)
- experience variance (i.e. actual experience vs assumptions)	(29.63)	0.10
Benefits paid	(222.28)	(187.75)
Changes due to business acquisition	-	21.73
Balance at the end of the year	**2,683.67**	**2,421.39**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36 Employee benefits (Contd.)

(b) Defined benefit plan (Contd.)

i. Reconciliation of the net defined benefit (asset) / liability (Contd.)

Particulars	31 March 2024	31 March 2023
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	2,105.27	1,953.10
Interest income	157.18	134.67
Contributions paid into the plan	0.34	0.34
Benefits paid	(0.95)	(9.36)
Return on plan assets, excluding amount recognised in net interest expense	6.69	26.52
Balance at the end of the year	**2,268.53**	**2,105.27**
Net defined benefit liability recognised in standalone balance sheet	**415.14**	**316.12**
Expense recognised in standalone statement of profit and loss		
Current service cost	278.59	245.04
Net interest cost on the net defined benefit liability	23.60	22.35
	302.19	**267.39**
Remeasurements recognised in other comprehensive income		
Actuarial loss / (gain) on defined benefit obligation	25.19	(92.00)
Return on plan assets, excluding amount recognised in net interest expense	(6.69)	(26.52)
	18.50	**(118.52)**

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2024	31 March 2023
Fund managed by LIC	100%	100%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2024	31 March 2023
Discount rate	7.15%	7.45%
Future salary growth	8.00%	8.00%
Attrition rate	7.00%	7.00%
Mortality rate (as a % of Indian Assured Lives Mortality 2012-14 (IALM) for FY 2023-24 and FY 2022-23)	100%	100%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the market yields of high quality corporate bonds on the valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024
(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36 Employee benefits (Contd.)

(b) Defined benefit plan (Contd.)

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

Particulars	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	2,508.48	2,882.66	2,268.86	2,594.34
Effect of 1% change in the assumed salary growth rate	2,879.06	2,508.25	2,591.72	2,268.25
Effect of 50% change in the assumed attrition rate	2,641.92	2,739.23	2,395.21	2,455.57
Effect of 10% change in the assumed mortaility rate	2,683.36	2,683.92	2,421.20	2,421.53

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

There are no changes in the methods and assumptions used in preparing the sensitivity analysis from the previous year.

Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of INR 722.35 lacs to the plan for the next annual reporting period (31 March 2023: INR 572.74 lacs).

Maturity profile of the defined benefit obligation

Expected cash flows on undiscounted basis

Particulars	31 March 2024	31 March 2023
Within 1 year	521.48	420.21
2 to 5 years	1,029.52	1,039.19
6 to 10 years	1,129.36	981.19
More than 10 years	2,293.49	2,105.18

As at 31 March 2024, the weighted average duration of the defined benefit obligation was 7 years (31 March 2023: 7 years).

37 Earnings per share ("EPS")

Particulars	31 March 2024	31 March 2023
(a) Net profit attributable to the equity shareholders	10,297.67	13,009.84
(b) Weighted average number of equity shares outstanding during the year	75,38,952	75,22,142
(c) Effect of potential equity shares on employee stock options outstanding*	-	1,930
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b) + (c)]	75,38,952	75,24,072
(e) Nominal value of equity shares (in INR)	10.00	10.00
(f) Basic earnings per share (in INR) [(a)/(b)]	136.59	172.95
(g) Diluted earnings per share (in INR) [(a)/(d)]	136.59	172.91

*As at 31 March 2024, 65056 options were excluded from the diluted weighted average number of equity share calculation because their effect would have been anti-dilutive.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

38 Capital commitments

Particulars	31 March 2024	31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	4,346.93	1,525.52

Other commitments

(i) The Company has issued a corporate guarantee of Euro 33.705 million at a commission of 0.50% p.a. on the outstanding guarantee amount, in favour of the wholly owned subsidiary company, HIL International GmbH, Germany on 27 September 2023 in respect of the loan taken by the subsidiary from ICICI Bank UK PLC, Germany.

39 Contingent liabilities

A. Contingent liabilities (not provided for) in respect of:

Particulars	31 March 2024	31 March 2023
(a) Demand raised by the Income-tax authorities, being disputed by the Company*	1,180.92	1,095.06
(b) Demands raised by sales tax and Goods and service taxes authorities, being disputed by the Company**	8,591.89	8,840.39
(c) Demands (including penalties) raised by excise authorities, being disputed by the Company***	698.37	689.21
(d) Appeal filed by the Company before the High Court of Judicature of Andhra Pradesh against the decision of appeal in favour of the Income-tax department pertaining to wealth tax matter.	56.98	56.98
(e) Pending cases with High Court where Income-tax department has preferred appeals	1,531.36	1,535.22
(f) Demand for property tax, being disputed by the Company^	-	-
(g) Other claims against the Company not acknowledged as debts ****	271.11	286.64

(h) There are other civil matters against the Company of which one such case is pertaining to certain mining activity performed by the Company in the past. The National Green Tribunal ("NGT"), New Delhi, disposed off the above case in the earlier year, directing that the restoration of mine to be carried out by State of Jharkhand; and filing of claims by the victims before the District Judge, Chaibasa for adjudication. Aggrieved by some of the findings in the aforesaid Orders and subsequent Orders passed by NGT, the Company filed a Civil Appeal before the Honourable Supreme Court of India. The Honourable Supreme Court of India directed to issue notice to other parties and maintain status in the meantime. During the previous year, the district mining officer, Chaibasa, has sought payment of environment compensation of INR 1344 lacs from the Company which is in wilful disobedience of the aforesaid order passed by the Honourable Supreme Court. The Company has responded accordingly. In view of the aforesaid Status Quo Order the further proceedings before NGT are being adjourned from time to time. Management believes that the final outcome of the above matter is not expected to be material on the financial statements.

* Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, other expenses not allowed.

** The demands raised by the sales tax authority are mainly towards enhancement of turnover due to certain disallowances, entry tax on stock transfers and local sales tax demand upon completion of assessment and various other miscellaneous cases raised by the respective state authorities.

**During the year ended 31 March 2023, the Company received a demand from Goods and Services Tax Department, Government of Tamil Nadu, Chennai amounting to INR 7160 lacs for the period 01 July 2017 to 31 August 2022, with regards to HSN (Harmonized System Nomenclature) Classification code of one of the product sold by the Company. The Company challenged the said Orders by filing Appeals before Deputy Commissioner (Appeals), Chennai. Aggrieved by the order of the Appellate Authority confirming the demand, the Company has challenged the said Orders in the Honourable High Court of Madras by filing writ petition. Further, during the current year, a demand for an amount of INR 470 lacs was received by the Company from Goods and Services Tax Department, Government of Tamil Nadu, Chennai on this matter for the period 01 September 2022 to 31 March 2023. As on 31 March 2024, the Company has considered the aforesaid amount of INR 7630 lacs as Contingent liability.

*** The demand raised by the excise authority is mainly towards excise duty demand including interest and penalty towards disallowance of availment of CENVAT credit and wrong classification of products as taxable versus exempt product.

**** Other claims against the Company not acknowledged as debt mainly includes liability towards fuel surcharge adjustment disputed with electricity board for the financial year 2008-09 and 2009-10.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

39 Contingent liabilities (Contd.)

A. Contingent liabilities (not provided for) in respect of: (Contd.)

^ Greater Hyderabad Municipal Corporation ("GHMC") had served property tax demand notices on the Company claiming outstanding property tax to the tune of INR 1083 lacs and the same was considered as contingent liability. The Company challenged the said demand notices in the Honourable High Court of Telangana ("High Court"). During the previous year, the Honourable High Court has passed an order directing GHMC to reassess the tax dues subject to compliance of applicable laws. The original tax dues stand disposed in view of fresh tax computation within the provision of law. While the Company is awaiting fresh demand notice from GHMC consequent to the order of Honourable High Court, the management has created adequate provision basis its own assessment.

The Company is contesting various claims and demands and the Management believes that its position will likely be upheld in the process and accordingly no expense has been accrued in the standalone financial statements for such claims and demands received as the ultimate outcome of this process will not have a material adverse effect on the Company's standalone financial statements.

Pending resolution of the aforesaid respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect any reimbursements in respect of the above contingent liabilities.

The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

B. On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company has made a provision for provident fund contribution based on the best estimate during the earlier year. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

40 Related parties

A. List of related parties and nature of relationship

Name of the related party	Nature of relationship	Country	% of Holding as at 31 March 2024	31 March 2023
Supercor Industries Limited (refer note 53(b))	Joint venture	Nigeria	33%	33%
HIL International GmbH (refer note 53(a))	Wholly owned subsidiary	Germany	100%	100%
Parador Holding GmbH (refer note 53(a))	Step-down subsidiary	Germany	100%	100%
Parador GmbH	Step-down subsidiary	Germany	100%	100%
Parador Parkettwerke GmbH	Step-down subsidiary	Austria	100%	100%
Parador UK Ltd	Step-down subsidiary	United Kingdom	100%	100%
Parador (Shanghai) Trading Co., Ltd.	Joint venture	China	50%	50%

Name of the related party	Nature of relationship
Key Management Personnel (KMP)	
Mr. Dhirup Roy Choudhary	Managing Director & Chief Executive Officer ("CEO") (till 31 January 2023)
Mr. Akshat Seth	Chief Executive Officer ("CEO") (w.e.f. 01 February 2023) and Managing Director ("MD") (w.e.f. 11 February 2023)
Mr. KR Veerappan	Chief Financial Officer (till 10 May 2022)
Mr. Saikat Mukhopadhyay	Chief Financial Officer (w.e.f. 29 July 2022 till 23 July 2023)
Mr. Ajay Kapadia	Chief Financial Officer (w.e.f. 24 July 2023)
Mr. Mahesh Thakar	Company Secretary and Head - Legal (till 27 January 2023)
Mr. Kamal Saboo	Company Secretary and Head - Legal (w.e.f. 15 July 2023 till 01 September 2023)
Ms. Nidhi Bisaria	Company Secretary (w.e.f. 02 September 2023)

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

40 Related parties (Contd.)

A. List of related parties and nature of relationship (Contd.)

Name of the related party	Nature of relationship
Non-Executive Directors and Independent Directors	
Mr. Chandra Kant Birla	Chairman (Non-Executive Director)
Mr. Desh Deepak Khetrapal	Non-Executive Director
Mrs. Gauri Rasgotra	Independent Director
Mr. V.V. Ranganathan	Independent Director (till 18 March 2024)
Mr. Sunil Ramakant Bhumralkar	Independent Director (w.e.f 18 March 2024)
Dr. Arvind Sahay	Independent Director
List of other related parties with whom there are transactions	
Birla Buildings Limited	Other related parties
CK Birla Corporate Services Limited	Other related parties
GMMCO Limited	Other related parties
National Engineering Industries Limited	Other related parties
Orient Cement Limited	Other related parties
Orient Electric Limited	Other related parties
Orient Paper and Industries Limited	Other related parties
Central India Industries Limited	Other related parties
Ms. Avanti Birla	Relative of KMP
Amer Investments (Delhi) Limited	Other related parties
Ashok Investment Corporation Limited	Other related parties
Hitaishi Investments Limited	Other related parties
Hyderabad Agencies Private Limited	Other related parties
Gwalior Finance Corporation Limited	Other related parties
Ranchi Enterprises and Properties Limited	Other related parties
Shekhavati Investments and Traders Limited	Other related parties
Universal Trading Company Limited	Other related parties

B. Transactions with related parties^

Related party	Nature of transactions	31 March 2024	31 March 2023
Non-Executive Directors and Independent Directors	Sitting fees, reimbursements and commission	177.00	178.00
Managing Director and Chief Executive Officer			
- Mr. Dhirup Roy Choudhary	Managerial remuneration		
	- Remuneration*	-	464.35
	- Perquisite value of ESOPs exercised during the year	-	303.50
	- Gratuity	-	20.00
	- Compensated absences	-	32.47
	Dividend Paid	-	18.17
- Mr. Akshat Seth	Managerial remuneration***		
	- Remuneration*	735.61	121.44
	- Long term incentives	126.00	-
	- Gratuity	7.16	1.83
	- Compensated absences	6.34	-
Chief Financial Officer			
- Mr. KR Veerappan	Salaries*	-	46.44
	Gratuity	-	20.00
	Compensated absences	-	20.66
- Mr. Saikat Mukhopadhyay	Salaries*	67.04	173.00
	Gratuity	-	2.31
	Compensated absences	-	2.28

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for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

40 Related parties (Contd.)

B. Transactions with related parties^ (Contd.)

Related party	Nature of transactions	31 March 2024	31 March 2023
-Mr. Ajay Kapadia	Salaries*	94.09	-
	Long term incentives	21.50	-
	Gratuity	15.92	-
	Compensated absences	11.96	-
Company Secretary			
- Mr. Mahesh Thakar	Salaries*	-	55.09
	Compensated absences	-	2.86
- Mr. Kamal Saboo	Salaries*	8.51	-
	Gratuity	0.90	-
	Compensated absences	1.15	-
- Ms. Nidhi Bisaria	Salaries*	31.39	-
	Gratuity	6.04	-
	Compensated absences	0.52	-
Mr. Chandra Kant Birla	Dividend Paid	20.55	33.39
Ms. Avanti Birla	Salaries*	171.16	126.48
	Gratuity	4.65	2.79
	Compensated absences	6.73	2.55
	Long term incentives	44.48	-
Parador GmbH, Germany	Purchase of goods	15.81	-
HIL International GmbH, Germany	Interest income on loan	864.12	659.76
	Interest received on loan	-	21.78
	Commission on Corporate Guarantee	73.36	-
	Loans given ^^	3,641.30	1,606.20
	Loans repaid ^^	-	1,684.35
GMMCO Limited	Purchase of goods	35.50	24.61
	Purchase of services	6.41	6.97
Orient Electric Limited	Purchase of goods	-	6.36
National Engineering Industries Limited	Rent paid	28.87	139.35
	Reimbursements	32.67	22.24
Birla Buildings Limited	Rent paid	0.29	0.34
	Rent received	0.03	0.04
	Purchase of services	32.12	32.94
	Reimbursements	10.74	24.88
	Dividend received	0.25	0.38
CK Birla Corporate Services Limited	Professional services received	750.18	613.15
	Brand usage charges	81.84	116.43
	Reimbursements	-	17.70
Orient Paper and Industries Limited	Rent received	54.66	66.04
	Sale of finished goods	6.59	12.80
	Dividend paid	362.54	589.13
	Rent paid	114.09	-
Orient Cement Limited	Rent received	69.46	81.84
	Sales of finished goods	0.51	2.04
Central India Industries Limited	Dividend paid	429.85	698.51
Amer Investments (Delhi) Limited	Dividend paid	123.51	200.70
Ashok Investment Corporation Limited	Dividend paid	127.10	206.53
Hitaishi Investments Limited	Dividend paid	26.83	43.59
Hyderabad Agencies Private Limited	Dividend paid	1.64	2.67
Gwalior Finance Corporation Limited	Dividend paid	38.48	62.53
Ranchi Enterprises and Properties Limited	Dividend paid	1.80	2.93
Shekhavati Investments and Traders Limited	Dividend paid	89.79	145.91
Universal Trading Company Limited	Dividend paid	1.60	2.60

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(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

40 Related parties (Contd.)

C. Balances outstanding^ (Contd.)

Related party	Details	31 March 2024	31 March 2023
Supercor Industries Limited, Nigeria	Dividend receivable on investments #	9.01	9.01
Non-Executive Directors and Independent Directors	Commission	105.00	120.00
Managing Director and Chief Executive Officer			
-Mr. Akshat Seth	Managerial remuneration***		
	- Remuneration*	201.18	35.67
	- Gratuity	8.99	-
	- Compensated absences	8.17	1.83
	- Long term incentives	126.00	-
Chief Financial Officer			
-Mr. Saikat Mukhopadhyay	Salaries*	-	18.85
	Gratuity	-	2.31
	Compensated absences	-	2.28
-Mr. Ajay Kapadia	Salaries*	16.77	-
	Long term incentives	21.50	-
	Gratuity	15.92	-
	Compensated absences	11.96	-
Company Secretary			
-Ms. Nidhi Bisaria	Salaries*	3.21	-
	Gratuity	6.04	-
	Compensated absences	0.52	-
Ms. Avanti Birla	Salaries*	31.32	-
	Gratuity	7.45	2.79
	Compensated absences	9.28	2.55
	Long term incentives	44.48	-
Parador GmbH, Germany	Trade payable	15.81	-
HIL International GmbH, Germany**	Loan given	12,136.08	8,499.34
	Interest accrued on loan given	2,060.87	1,190.37
	Commission on Corporate Guarantee	73.36	-
	Guarantee given on behalf of subsidiary	24,637.10	-
GMMCO Limited	Trade payable	13.85	2.03
Birla Buildings Limited	Rent payable	0.45	1.53
	Rent receivable	0.04	-
CK Birla Corporate Services Limited	Trade payables	87.31	32.66
Orient Cement Limited	Trade receivable	-	0.02
Orient Paper & Industries Limited	Rent receivable	3.89	-
National Engineering Industries Limited	Reimbursements	2.25	0.17

During earlier year, the Company made provision for the dividend receivable amounting to INR 9.01 lacs from Supercor Industries Limited ("Supercor") as the receipt of same is considered to be doubtful. Further, the Company has also made provision for value of investment in Supercor in the books of account amounting to INR 142.60 lacs.

* Payment of insurance costs are made for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above.

***The remuneration paid / payable by the Company to its Managing Director and Chief Executive Officer during the current year is INR 854.11 lacs. The limit on such remuneration prescribed under Section 197 read with Schedule V to the Companies Act, 2013 ("the Act") is INR 578.39 lacs. The excess remuneration is primarily attributable to the value of performance incentive and long-term cash incentive payable to the Managing Director and Chief Executive Officer for the current year. The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for the same by way of special resolution in accordance with the requirements of the Act. As per management's assessment, the approval from shareholders for excess remuneration is probable.

** The related party loan given to HIL International GmbH, Germany in the earlier year, was for the purpose of partly financing the acquisition of 100% shareholding of Parador Holding GmbH, Germany. The outstanding loan amount is repayable in three instalments starting 16 August 2027 upto 16 August 2029. The said loan carries an interest rate of 8% p.a. (31 March 2023: 8% p.a.).

^^ During the year, the Company has given a loan and a corporate guarantee (CG) at a commission of 0.50% p.a on the outstanding CG amount to HIL International GmbH, Germany. Refer note 54.

^ Disclosures are including (Goods and Services Tax) GST, wherever applicable.

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for the year ended 31 March 2024
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41 Details of dues to Micro Enterprises and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information as required under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	31 March 2024	31 March 2023
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [(including INR 174.84 lacs shown under capital creditors (31 March 2023: INR 162.68 lacs) and INR 54.74 lacs (31 March 2023: INR 66.08 lacs) shown under liabilities on business acquisition]	2,298.41	2,431.76
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;*	0.67	Nil
(c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	Nil	Nil

*It includes interest provision on certain outstanding balances for which settlement is under discussion.

42 Share based payments

A. Description of share-based payment arrangements

Employee stock option scheme (equity-settled)

The Company provides share-based payment schemes to its eligible employees as identified in the employee stock option schemes. The relevant details of these schemes and the grants are as below:

On 12 August 2019, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2019 (ESOP scheme 2019) for issue of stock options to identified employees of the Company.

On 27 January 2023, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2023 (ESOP scheme 2023) for issue of stock options to identified employees of the Company. Subsequently, the scheme was approved by the Shareholders of the Company on 04 April 2023, through Postal Ballot process.

According to the scheme, eligible employees identified by the Nomination and Remuneration cum Compensation Committee are entitled to options, subject to satisfaction of the prescribed vesting conditions.

The relevant terms of the grant as mentioned in the ESOP scheme 2019 and ESOP scheme 2023 are as below:

Particulars	ESOP scheme 2023			ESOP scheme 2019
	Grant I	Grant II	Grant III	Grant I
Date of grant	15 July 2023	19 October 2023	19 October 2023	14 October 2019
Number of options outstanding	56054	1742	7860	-
Vesting period	40% - 16 July 2024	40% - 19 October 2024	40% - 19 October 2025	40% - end of year 3

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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42 Share based payments (Contd.)

A. Description of share-based payment arrangements (Contd.)

Particulars	ESOP scheme 2023			ESOP scheme 2019
	Grant I	Grant II	Grant III	Grant I
	60% - 01 April 2025	60% - 19 October 2025	60% - 19 October 2026	60% - end of year 4
Exercise period	4 years from the respective dates of vesting	4 years from the respective dates of vesting	4 years from the respective dates of vesting	4 years from the respective dates of vesting
Exercise price (INR)	2,999.50	2,931.00	2,931.00	1,234.15
Weighted average market price (INR)	1,075.72	1,171.22	1,302.37	1,234.15

B. Measurement of fair values

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

As at 31 March 2023

Particulars	ESOP scheme 2019 Grant I Tranche 2
Grant date	14 October 2019
Fair value at grant date (INR)	470.38
Exercise price (INR)	1234.15
Expected volatility (weighted average volatility)	37.89%
Risk-free interest rate (based on government bonds)	6.56%
Time to maturity (in years)	5.00
Expected dividends yields	2.05%

As at 31 March 2024

Particulars	ESOP scheme 2023					
	Grant I		Grant II		Grant III	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Grant date	15 July 2023		19 October 2023		19 October 2023	
Fair value at grant date (INR)	1,075.72	1,075.72	1,171.22	1,171.22	1,302.37	1,302.37
Exercise price (INR)	2,999.50	2,999.50	2,931.00	2,931.00	2,931.00	2,931.00
Expected volatility (weighted average volatility)	41.25%	46.84%	45.35%	45.35%	44.48%	44.48%
Risk-free interest rate (based on government bonds)	6.91%	6.93%	7.28%	7.28%	7.30%	7.30%
Time to maturity (in years)	5.00	5.72	5.00	6.00	6.00	7.00
Expected dividends yields	1.79%	1.79%	0.85%	0.85%	0.85%	0.85%

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The weighted average remaining contractual life for the stock options outstanding is 4.90 years (31 March 2023: 4.54 years).

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42 Share based payments (Contd.)

C. Reconciliation of outstanding share options

The details of activity under "ESOP scheme 2019 and ESOP scheme 2023" are summarised below:

Particulars	31 March 2024	31 March 2023
	No. of options	No. of options
Outstanding at the beginning of the year	3,336	70,411
Granted during the year	6,5656	-
Cancelled during the year*	-	4,3415
Vested and exercised during the year	3,336	2,3660
Outstanding at the end of the year	6,5656	3336

* cancelled stock options lies in pool account for future grants.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2024 was INR 2809.20 per share (31 March 2023: INR 2618.71 per share).

D. Expense recognised in the standalone statement of profit and loss

During the previous year, on account of resignation of few eligible employees to the ESOP scheme 2019, the Company has cancelled the shares granted to them. The expense recognised till the date of resignation for such ESOPs have been reversed in the Statement of profit and loss. For details of the related employee benefits expense, refer note 28.

43 Service concession arrangement

On 21 March 2011, the Company entered into a service concession agreement with Gujarat Urja Vikas Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 18 April 2011. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 1.8 MW wind power plant at village Vandhiya, Gujarat for a period of 25 years at a fixed rate of INR 3.56 per kwh for delivered energy as certified by state electricity authority of Gujarat state load dispatch center ("SLDC"), starting from 18 April 2011 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

On 24 September 2014, the Company entered into a service concession agreement with Ajmer Vidyut Vitran Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 30 September 2014. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 2 MW wind power plant at village Rajgarh, district Jaisalmer for a period of 25 years at a fixed rate of INR 5.31 per kwh for the delivered energy conforming the standards as approved by Rajasthan Electricity Regulatory Commission ("RERC"), starting from 30 September 2014 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

The Company recognised service concession arrangement with Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited under intangible asset model, on the basis that the Company will receive variable amount of revenue from the respective DISCOMs in Gujarat and Rajasthan depending upon the actual amount of electricity generated and supplied to the respective DISCOMs. The DISCOMs has not assured any minimum amount of proceeds to the Company. The Company bears the demand risk and the right to receive cash from the DISCOMs is not unconditional i.e. it depends upon the actual amount of electricity generated and supplied to the DISCOMs.

The service concession agreements with the Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited does not contain a renewal option. The standard rights of the grantor to terminate the agreement in both the arrangements include poor performance by the Company and the event of a material breach of the terms of the agreement by the Company. The standard rights of the Company to terminate the agreement in both the arrangements include failure of the grantor to make payment under the agreement and a material breach by the grantor of the terms of the agreement.

During the year, the Company has recorded revenue of INR 220.62 lacs (31 March 2023: INR 225.48 lacs) on generation of power, and recorded profit of INR 39.81 lacs (31 March 2023: INR 69.89 lacs).

Notes to the Standalone Financial Statements

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44 Leases - In the capacity of lessor

The Company has given certain properties under non-cancellable leases to various parties. The Company has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Following are the details of future minimum lease receivables under the agreements:

Particulars	31 March 2024	31 March 2023
Not later than one year	462.37	410.31
Later than one year and not later than five years	276.41	585.24
Later than five years	-	-

45 Capital management

The Company aims to maintain a strong capital base so as to maintain the confidence of all stakeholders and to sustain future development of the business.

In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt represents non-current borrowings and current borrowings.

The Company's total debt to equity ratio at the reporting dates were as follows:

Particulars	31 March 2024	31 March 2023
Total debt	31,309.91	11,713.32
Total debt (A)	**31,309.91**	**11,713.32**
Total equity	1,19,076.26	1,11,418.72
Total equity (B)	**1,19,076.26**	**1,11,418.72**
Total debt to total equity ratio (A/B)	**0.26**	**0.11**

46 Expenditure incurred on research and development

Revenue expenditure debited to respective heads of accounts includes expenditure incurred on Research and Development during the year amounting to INR 645.76 lacs (31 March 2023: INR 662.89 lacs) and assets / equipment purchased for research activities of INR 124.82 lacs (31 March 2023: INR 41.78 lacs) disclosed under Property, plant and equipment.

47 Expenditure during construction period (included in capital work-in-progress)

Particulars	31 March 2024	31 March 2023
Balance brought forward (A)	**-**	**20.50**
Expenditure incurred during the year		
Cost of material consumed	-	10.82
Employee benefits expense	-	40.35
Consumption of stores and spares	-	8.19
Contract wages	-	10.11
Power and fuel	-	7.48
Printing & stationary	-	0.03
Rent	-	10.31
Rates and taxes	-	1.74
Insurance	-	1.64
Professional, consultancy and legal expenses	-	7.11
Travelling and conveyance	-	8.17
Miscellaneous	-	21.96
Total expenditure during construction period (B)	**-**	**127.91**
Less: Turnover (C)	-	2.33
Less: Stocks of finished goods out of trial run production (D)	-	6.15
Total (A+B-C-D)	**-**	**139.93**
Allocated to property, plant and equipment	-	139.93
Balance carried forward	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2024
(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

48 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 31 October 2024, as required by law. The Management confirms that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

49 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

50 Leases - In the capacity of lessee

The following tables summarise the movement in lease liabilities :

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning	758.48	692.03
Additions	31.18	345.18
Interest expenses	48.13	62.49
Deletions	-	(28.36)
Repayment of principal and interest lease liabilities	(323.30)	(312.86)
Balance at the end	**514.49**	**758.48**

As at balance sheet date, the Company is not exposed to future cash flows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Company has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Company has incurred following expenses relating to short-term leases for which the recognition exemption has been applied (refer note 31).

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses relating to short term leases (refer note 31)	710.99	462.20
Expenses relating to low value leases	-	-

The following are the amounts recognised in standalone statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on Right-of-use assets	308.17	291.56
Interest expenses	48.13	62.49
	356.30	**354.05**

Amounts recognised in Statement of Cash flows

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Repayment of principal and interest lease liabilities	323.30	312.86
	323.30	**312.86**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

50 Leases - In the capacity of lessee (Contd.)

Total minimum lease payments are as follows:

Particulars	31 March 2024	31 March 2023
Not later than 1 year	193.36	365.67
Later than 1 year and not later than 5 years	154.18	328.62
More than 5 years	1,336.73	1,429.88

51 Other provisions

Particulars	Opening balance	Created during the year	Utilised during the year	Closing balance	Current	Non-current
(i) For the year ended 31 March 2024						
Provision for employee related other costs [refer note (a) below]	-	16.94	(3.62)	13.32	13.32	-
Provision for litigations [refer note (b) below]	307.25	-	53.33	253.92	253.92	-
Provision - others [refer note (c) below]	390.00	-	-	390.00	390.00	-
	697.25	**16.94**	**49.70**	**657.24**	**657.24**	**-**
(ii) For the year ended 31 March 2023						
Provision for employee related other costs [refer note (a) below]	96.50	12.20	108.70	-	-	-
Provision for litigations [refer note (b) below]	307.25	-	-	307.25	307.25	-
Provision - others [refer note (c) below]	390.00	-	-	390.00	390.00	-
	793.75	**12.20**	**108.70**	**697.25**	**697.25**	**-**

(a) The wage agreement at one of the manufacturing locations of the Company is pending as at 31 March 2024.

(b) Provision for litigations represents provision towards potential liability against various ongoing indirect tax cases based on Company's internal assessment.

(c) Provision - others represents provision towards possible obligation against certain past events for which the expected outflow is certain.

52 Particulars of hedged foreign currency exposure as at the balance sheet date

The details of forward contracts outstanding at the year end are as follows:

Particulars	Currency	Number of contracts	Amount in foreign currency	Purpose
As at 31 March 2024	USD	8	32,24,728	For hedging of current and future trade payables
	USD	3	10,13,000	For hedging of loan receivables
	EUR	2	2,00,000	For hedging of current and future trade payables
	EUR	18	1,25,00,000	For hedging of loan receivables
	EUR/USD	1	8,45,000	For hedging of loan receivables
As at 31 March 2023	USD	23	51,90,000	For hedging of current and future trade payables
	USD	3	10,13,000	For hedging of loan and interest receivables
	EUR	18	86,78,037	For hedging of loan receivables
	EUR/USD	1	8,45,000	For hedging of loan and interest receivables

Notes to the Standalone Financial Statements

for the year ended 31 March 2024
(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

53 Investment

a) Interest in subsidiary

The Company incorporated a wholly owned subsidiary "HIL International GmbH" at Germany on 04 July 2018 which acquired 100% shareholding of Parador Holding GmbH, Germany through sale and purchase agreement dated 11 July 2018 and completed the acquisition on 27 August 2018.

b) Interest in joint venture

The Company's interest in a joint venture company is as follows:

Name of the joint venture company	Country of incorporation	Proportion of ownership interest	For the year ended on	Description of Interest
Supercor Industries Limited	Nigeria	33%	31 December 2023	JV established for manufacture of asbestos cement sheets

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity as at and for the years ended 31 December 2023 and 2022 are as follows:

Proportion of Company's interest in a joint venture company

Particulars	31 March 2024 (Unaudited)*	31 March 2023 (Unaudited)*
Assets		
Non-current assets	-	-
Current assets	-	-
Liabilities		
Non-current liabilities	-	-
Current liabilities	-	-
Income		
Revenue from operations	-	-
Other income	-	-
Expenses		
Raw materials consumed	-	-
Manufacturing and other expenses	-	-
Interest and financial charges	-	-
Depreciation expense	-	-
Provision for tax	-	-
Proposed dividend	-	-
Contingent liabilities	-	-
Capital commitments	-	-

* Data not available. Refer note (c) below

During the year ended 31 March 2024 and 31 March 2023, the Company did not receive any dividend from Supercor Industries Limited.

c) The Company in financial year 1979-80 had invested in Supercor Industries Limited, Nigeria ("Supercor"). Supercor suspended its operations from November 2015 and closed its offices because of which it has not prepared any financial statements since then. Therefore, the Company has been unable to incorporate the requisite financial information, if any, of Supercor in its consolidated financial statements as required under Section 129(3) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's investment in Supercor as at 31 March 2024 amounts to INR NIL (31 March 2023: INR NIL), after considering the provision for diminution in value of investments amounting to INR 142.60 lacs (31 March 2023: INR 142.60 lacs). During the previous year, on the basis of the request filed by the Company, an intimation was received from Reserve Bank of India for suspension of the Unique Identification Number allotted to Supercor. The Management does not foresee any future liability on account of any claim, with respect to Supercor over and above the amount invested in Supercor.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

54 Disclosures pertaining to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

a) The Company has made investment in the following Companies:

Entity	As at 31 March 2023	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2024
Investment in equity instruments					
HIL International GmbH, Germany	27,346.24	-	-	-	27,346.24
Supercor Industries Limited, Nigeria (refer note 53 (c))	-	-	-	-	-

Entity	As at 31 March 2022	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2023
Investment in equity instruments					
HIL International GmbH, Germany	27,346.24	-	-	-	27,346.24
Supercor Industries Limited, Nigeria (refer note 53 (c))	-	-	-	-	-

b) The Company has given unsecured interest bearing loans to its following subsidiary (details are excluding interest accrued but not due) :

Entity	As at 31 March 2023	Given / (repaid) during the year**	Impact of foreign exchange translation	As at 31 March 2024*	Maximum balance outstanding during the year
HIL International GmbH, Germany	8,499.34	3,641.30	(4.56)	12,136.08	12,427.08

Entity	As at 31 March 2022	Given / (repaid) during the year	Impact of foreign exchange translation	As at 31 March 2023*	Maximum balance outstanding during the year
HIL International GmbH, Germany	7,994.60	-	504.74	8,499.34	10,105.54

*Restated at the closing conversion rate as the loan was given in foreign currency.

The above loan given to HIL International GmbH, Germany was for the purpose of partly financing acquisition of 100% shareholding of Parador Holding GmbH, Germany. The outstanding loan amount is repayable in three instalments starting 16 August 2027 upto 16 August 2029. The said loan carries an interest rate of 8% p.a. (31 March 2023: 8% p.a.).

** During the previous year, the Company has given a loan to HIL International GmbH, Germany amounting to INR 1606 lacs for regular business purpose, which was repaid fully during the year. The said loan carried an interest rate of 8% p.a.

The Company has given a long-term loan of Euro 4 million (INR 3641.30 lacs) to its wholly owned subsidiary (WOS) HIL International GmbH, Germany on 14 August 2023 for the purpose of meeting its financial requirements especially the working capital requirements. The same is outstanding as at the year end. The said loan carries an interst rate of 8% p.a.

During the year ended 31 March 2024, the Company has issued a corporate guarantee (CG) of Euro 33.705 million at a commission of 0.50% p.a on the outstanding CG amount, in favour of its WOS, in respect of the loan taken by WOS from ICICI bank UK PLC, Germany.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55 Financial instruments - fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2024

Particulars	Notes	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	10	777.28	-	-	-	777.28	-	777.28	-	777.28
Investments in mutual funds	7	10,229.38	-	-	-	10,229.38	10,229.38	-	-	10,229.38
Investments in equity instruments	7	-	33.73	-	-	33.73	-	-	33.73	33.73
		11,006.66	**33.73**	**-**	**-**	**11,040.39**	**10,229.38**	**777.28**	**33.73**	**11,040.39**
Financial assets not measured at fair value										
Trade receivables	8	-	-	13,512.25	-	13,512.25				
Loans	9	-	-	12,136.08	-	12,136.08				
Other financial assets	10	-	-	3,661.80	-	3,661.80				
Cash and cash equivalents	13	-	-	6,846.25	-	6,846.25				
Other bank balances	14	-	-	91.83	-	91.83				
		-	**-**	**36,248.21**	**-**	**36,248.21**				
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	31,309.91	31,309.91				
Lease liabilities	18	-	-	-	5,14.49	514.49				
Trade payables	19	-	-	-	23,797.93	23,797.93				
Other financial liabilities	20	-	-	-	11,263.97	11,263.97				
		-	**-**	**-**	**66,886.30**	**66,886.30**				

The fair value of investments in equity instruments, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments. Investments in mutual funds, which are classified as FVTPL are measured using net asset value at the reporting date multiplied by the quantity held.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55 Financial instruments - fair values and risk management (Contd.)

A. Accounting classifications and fair values (Contd.)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2023

Particulars	Notes	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	10	1,782.78	-	-	-	1,782.78	-	1,782.78	-	1,782.78
Investments in equity instruments	7	-	33.66	-	-	33.66	-	-	33.66	33.66
		1,782.78	**33.66**	**-**	**-**	**1,816.44**	**-**	**1,782.78**	**33.66**	**1,816.44**
Financial assets not measured at fair value										
Trade receivables	8	-	-	11,016.64	-	11,016.64				
Loans	9	-	-	8,499.34	-	8,499.34				
Other financial assets	10	-	-	2,643.85	-	2,643.85				
Cash and cash equivalents	13	-	-	953.39	-	953.39				
Other bank balances	14	-	-	86.31	-	86.31				
		-	**-**	**23,199.53**	**-**	**23,199.53**				
Financial liabilities measured at fair value										
Derivative liabilities	20	7.27	-	-	-	7.27	-	7.27	-	7.27
		7.27	**-**	**-**	**-**	**7.27**	**-**	**7.27**	**-**	**7.27**
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	11,713.32	11,713.32				
Lease liabilities	18	-	-	-	758.48	758.48				
Trade payables	19	-	-	-	23,426.60	23,426.60				
Other financial liabilities	20	-	-	-	11,344.07	11,344.07				
		-	**-**	**-**	**47,242.47**	**47,242.47**				

The fair value of investments in equity instruments, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55 Financial instruments - fair values and risk management (Contd.)

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

Derivative assets / liabilities: The fair value is determined using forward exchange rates at the reporting date and present value calculations based on high credit quality yield curve in the respective currencies.

Investment in equity instruments: The fair value is determined based on the value determined as per discounted cash flows approach as on the reporting date.

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2023-24 and no transfers in either direction in 2022-23.

iii. Level 3 fair values

Particulars	FVOCI Equity securities
Balance at 01 April 2022	34.24
Net change in fair value (unrealised)	(0.58)
Balance at 31 March 2023	**33.66**
Balance at 01 April 2023	33.66
Net change in fair value (unrealised)	0.07
Balance at 31 March 2024	**33.73**

Sensitivity analysis

For the fair values of FVOCI equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

Particulars	OCI, net of tax	
	Increase	Decrease
2023-24		
Annual growth rate (2.5% movement)	**151.60**	**(13.78)**
2022-23		
Annual growth rate (2.5% movement)	**151.26**	**(13.19)**

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

a) Liquidity risk

b) Market risk

c) Credit risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and deployment of risk management framework. The Board of Directors has adopted a Risk Policy, which empowers the management to access and monitoring the risk management parameters along with action taken and the same is updated to Board of Directors.

The Company's risk management policies are established to identify and analyse the risks being faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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55 Financial instruments - fair values and risk management (Contd.)

C. Financial risk management (Contd.)

the risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As disclosed in Note 17, the Company has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Company to repay the loan earlier than indicated. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to the Management to ensure compliance with the agreement.

The interest payments on variable interest rate loans reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts reflect the principal amounts that are gross and undiscounted, and exclude the impact of netting agreements.

31 March 2024

Particulars	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	1,291.27	1,355.81	1,355.81	-	-	-
Term loan from banks including interest accrued but not due	12,003.95	12,003.95	803.95	2,800.00	8,400.00	-
Working capital loan from banks including interest accrued but not due	18,014.69	18,014.69	18,014.69	-	-	-
Trade payables	23,797.93	23,797.93	23,797.93	-	-	-
Liabilities on business acquisition	54.74	58.06	25.00	33.06	-	-
Capital creditors	1,154.89	1,154.89	1,154.89	-	-	-
Unpaid dividend	79.69	79.69	79.69	-	-	-
Security deposits	4,502.94	4,502.94	4,502.94	-	-	-
Contract liabilities	3,528.32	3,528.32	3,528.32	-	-	-
Other financial liabilities	1,943.39	1,943.39	1,943.39	-	-	-
	66,371.81	**66,439.67**	**55,206.61**	**2,833.06**	**8,400.00**	**-**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55 Financial instruments - fair values and risk management (Contd.)

C. Financial risk management (Contd.)

a) Liquidity risk (Contd.)

Exposure to liquidity risk (Contd.)

31 March 2023

Particulars	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	1,187.80	1,355.81	-	1,355.81	-	-
Sales tax deferment loan - unsecured	4.98	4.98	4.98	-	-	-
Working capital loan from banks including interest accrued but not due	10,520.54	10,520.54	10,520.54	-	-	-
Trade payables	23,426.60	23,426.60	23,426.60	-	-	-
Liabilities on business acquisition	66.08	74.12	49.12	25.00	-	-
Capital creditors	1,149.56	1,149.56	1,149.56	-	-	-
Unpaid dividend	85.31	85.31	85.31	-	-	-
Security deposits	4,527.22	4,527.22	4,527.22	-	-	-
Contract liabilities	3,722.63	3,722.63	3,722.63	-	-	-
Other financial liabilities	1,793.27	1,793.27	1,793.27	-	-	-
	46,483.99	**46,660.04**	**45,279.23**	**1,380.81**	**-**	**-**
Derivative financial liabilities						
Derivative liabilities	7.27	7.27	7.27	-	-	-
	7.27	**7.27**	**7.27**	**-**	**-**	**-**

b) Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage market risks.

i) Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The functional currency for the Company is Indian Rupees. The currencies in which these transactions are primarily denominated is US dollars and Euros. The Company does not enter into any derivative instruments for trading or speculative purposes.

Currency risks related to the principal amounts of the Company's US dollar trade payables and Euro loan and interest receivables have been hedged using forward contracts that mature on or before the same dates as the payables and receivables are due for repayment. These contracts are designated as derivatives.

Generally, borrowings are denominated in currencies that matter the cash flows generated by the underlying operations of the Company. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore, hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55 Financial instruments - fair values and risk management (Contd.)

C. Financial risk management (Contd.)

b) Market risk (Contd.)

i) Foreign currency risk (Contd.)

*Exposure to currency risk**

The summary of data about the Company's exposure to unhedged currency risk (based on notional amounts) as reported to the management is as follows:

Particulars	Currency	As at 31 March 2024			As at 31 March 2023		
		Value in foreign currency	Exchange rate	Amount INR in lacs	Value in foreign currency	Exchange rate	Amount INR in lacs
Loan to subsidiaries	EUR	1,55,000	89.90	139.35	-	-	-
Interest accrued on loan to subsidiaries	EUR	22,92,164	89.90	2,060.66	13,07,483.59	89.47	1,169.81

Derivative assets and liabilities

Foreign currency exposures of the Company are hedged by way of forward contracts. These contracts are entered with Banks with AA+, based on crisil ratings. Therefore, no risk is expected.

*Refer note 52 for details of hedged foreign currency exposure of the Company, the same are reported as derivative assets and liabilities under financial assets and financial liabilities.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, US dollar or Euro against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars		Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2024					
(1% movement)	EUR	22.00	(22.00)	16.46	(16.46)
31 March 2023					
(1% movement)	EUR	11.70	(11.70)	8.75	(8.75)

ii) Interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2024	31 March 2023
Variable rate borrowings including current maturities	30,000.00	10,500.00
Total borrowings	**30,000.00**	**10,500.00**

Sensitivity

Particulars	Impact on profit and loss	
	31 March 2024	31 March 2023
1% increase in interest rate	(300.00)	(105.00)
1% decrease in interest rate	300.00	105.00

The interest rate sensitivity is based on the closing balance of loans from banks.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55 Financial instruments - fair values and risk management (Contd.)

C. Financial risk management (Contd.)

c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade receivables :

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses. The following table provides information about the exposure to credit risk and expected credit loss (ECL) for trade receivables.

As at 31 March 2024

Particulars	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
Less than 90 days	0.85%	13,091.3	116.05	No
90 - 180 days	13.75%	458.47	64.39	No
180 - 270 days	39.40%	225.05	126.47	Yes
270 - 360 days	56.24%	143.33	124.71	Yes
360 - 450 days	70.63%	91.55	80.46	Yes
450 - 540 days	80.50%	54.75	47.39	Yes
540 - 630 days	89.16%	57.86	51.63	Yes
More than 630 days	98.92%	762.22	761.18	Yes
		14,884.53	**1,372.28**	

As at 31 March 2023

Particulars	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
Less than 90 days	0.72%	10,726.58	59.18	No
90 - 180 days	12.17%	264.34	32.17	No
180 - 270 days	36.63%	99.19	36.33	Yes
270 - 360 days	54.50%	61.85	33.71	Yes
360 - 450 days	68.93%	51.43	35.45	Yes
450 - 540 days	80.55%	42.05	33.87	Yes
540 - 630 days	89.47%	18.13	16.22	Yes
More than 630 days	100.00%	903.61	903.61	Yes
		12,167.18	**1,150.54**	

The Company uses an allowance matrix to measure the ECL of trade receivables from individual customers, which comprise a very large number of small balances. Based on the industry practice and the business environment in which the entity operates, Management considers that the trade receivables are in default if the payments are more than 180 days past due.

Loss rates are based on actual credit loss experience over the past 5 years.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

55 Financial instruments - fair values and risk management (Contd.)

C. Financial risk management (Contd.)

c) Credit risk (Contd.)

Trade receivables : (Contd.)

The ageing analysis of the receivables has been considered from the date the invoice falls due.

Trade receivables :	< 180 days	>180 days	Provision	Total
31 March 2024	13,549.77	1,334.76	(1,372.28)	13,512.25
31 March 2023	10,990.93	1,176.25	(1,150.54)	11,016.64

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	31 March 2024	31 March 2023
Balance as at 01 April	1,150.54	987.25
Amounts written off	(204.69)	-
Net remeasurement of loss allowance	426.43	163.29
Balance as at 31 March	**1,372.28**	**1,150.54**

Security deposits

Security deposits are primarily given to electricity authorities of states across India. Recoverability of these deposits is probable and no risk is expected.

Contract assets

Contract assets are the unbilled revenues to the state electricity boards of Gujarat, Rajasthan and Tamil Nadu, towards the sale of electricity generated from Wind Turbine Generators of the Company, situated at those locations. Refer Note 43 for details. Recoverability of these receeivables is probable and no risk is expected.

Loans and interest accrued on loans to subsidiary

The Company has advanced interest bearing long term loans to its wholly owned subsidiary (WOS) HIL International GmbH. Receipt of the principal and interest amounts of these loans is probable and no risk is expected.

Corporate guarantee fee receivables

During the year ended 31 March 2024, the Company has issued a corporate guarantee (CG) of Euro 33.705 million at a commission of 0.50% p.a on the outstanding CG amount, in favour of its WOS, in respect of the loan taken by WOS from ICICI bank UK PLC, Germany. Receipt of such fee is probable and the Company expects no risk in its recoverability.

Other receivables

The balances under other receivables is primarily the dividend receivables from the Company's investment in Supercor. As Supercor is inoperative (refer note 53(c)) the Company has considered the entire balances as credit impaired in its books.

Cash and cash equivalents and other bank balances

The cash and cash equivalents and other bank balances are held with banks. Credit risk on cash and cash equivalents and deposits with banks and financial institutions are generally low as the said deposits have been made with the banks and financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

Derivatives

The derivatives are entered into with bank and financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56 Ratios

S. No.	Particulars	Formulae	Numerator	Denominator	Unit	31 March 2024	31 March 2023	Variance	Reasons for Variance*
a.	Current ratio	Current assets/ Current liabilities	Current assets	Current liabilities	Times	1.34	1.17	14.53%	
b.	Debt equity ratio	Total debt/ Shareholders equity	Current Borrowings + Non-current borrowings	Total equity	Times	0.26	0.11	150.11%	The variance is due to increase in the working capital loans and term loans taken by the Company during the year.
c.	Debt service coverage ratio	Earnings available for debt service/ Debt service	Net profit after tax + Interest + Depreciation and amortization +/- Loss or gain on sale of property, plant & equipment- Exceptional Items	Interest + Lease interest payments + Current lease liabilities + Current borrowings	Times	0.68	1.74	-60.72%	Reduced profits and increased borrowings have resulted in the increased variance.
d.	Return on equity	Net Profits after taxes/ Average shareholder's equity	Net profits after taxes- Exceptional items	Average shareholder's equity	%	5.71%	12.13%	-52.96%	Variance is due to reduced profits for the year.
e.	Inventory turnover ratio	Sales/ Average inventory	Net sales	Average inventory	Times	5.71	6.07	-6%	
f.	Trade receivables turnover ratio	Sales/ Average accounts receivable	Net sales	Average accounts receivable	Times	16.49	19.61	-16%	
g.	Trade payables turnover ratio	Purchases/ Average accounts payable	Purchases	Average accounts payable	Times	5.91	6.06	-3%	
h.	Net capital turnover ratio	Sales/ Working capital	Net sales	Current assets - Current liabilities	Times	10.82	25.10	-57%	Variance due to increase in current liabilities
i.	Net profit ratio	Net profits after taxes/ Net sales	Net profits after taxes- Exceptional items	Net sales	%	2.95%	6.04%	-51.16%	Reduced operational profits during the year
j.	Return on capital employed	Earning before interest and taxes / Capital employed	Earning before interest and taxes	Total equity - Intangible assets - Intangible assets under development + Non current borrowing + Current borrowings + Deferred tax liabilities	%	7.07%	13.70%	-48.41%	Variance due to reduced operating profits and increased borrowings
k.	Return on investment (Mutual fund)	Income generated from mutual funds/ Average mutual funds invested	Income generated from mutual funds	Average mutual funds invested	%	6.41%	4.43%	44.73%	Variance due to increase in returns from mutual fund investments
l.	Return on investment (Fixed deposit)	Income generated from fixed deposits/ Average fixed deposits held	Income generated from fixed deposits	Average fixed deposits held	%	5.81%	4.39%	32.16%	Variance due to increase in rate of interest offered on fixed deposits

* Reason for variance is given for ratios having % change more than 25%.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

57 Benami property

There are no proceeding initiated or pending against the Company as at 31 March 2024 and 31 March 2023, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

58 Wilful defaulter

The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

59 Undisclosed incomes

The Company has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other provisions of the Income Tax Act, 1961).

60 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries) except as disclosed below. The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. The Company has given a long-term loan of Euro 4 million (INR 3641.30 lacs) at the interest rate of 8% p.a. to HIL International GmbH, Germany (wholly owned subsidiary company) on 14 August 2023. This loan was utilised by the subsidiary company for further advancing the loan to Parador GmbH, Germany, a wholly owned step-down subsidiary on 16 August 2023 to meet its general business requirements. The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013. Such transactions are not violative of the Prevention of Money-Laundering Act, 2022 (15 of 2003).

61 Struck off companies

The Company has entered into transactions with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956. Below are the details of balances outstanding:

S. No	Name of the struck off company	Nature of transactions with struck off company	Balances as at 31 March 2024	Relationship with the struck off company
1.	Paramount PEB Projects Private Limited	Payables	0.36	None
2.	Bluepeter shipping Private Limited	Payables	-	None
		Purchases	2.09	None
3.	Delux Steel Industries Metal And Concast India Private Limited	Receivables	0.06	None
		Sales	5.65	None
4.	Giriraj Steels Private Limited	Sales	94.17	None
		Receivables	0.46	None
5.	GCL Enterprises Private Limited	Sales	1.03	None
		Receivables	-	None
6.	B.L. Gupta constructions Private Limited	Sales	0.02	None
7.	GR Infracon Private Limited	Sales	73.86	None
		Receivables	3.17	None
8.	Asma Infratech Private Limited	Receivables	6.86	None
9.	Integrate Micro Systems Private Limited	Shares held by struck off company	108 shares	Shareholder
10.	Commercial Probe-Aid Services (India) Private Limited	Shares held by struck off company	200 shares	Shareholder
11.	Alliance Mediacom Private Limited	Shares held by struck off company	39 shares	Shareholder

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

62 There are no loans or advances in the nature of loans are granted to promoters, directors, KMP's and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person, that are :

a) repayable on demand; or

b) without specifying any terms or period of repayment

63 Compliance with number of layers of companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

64 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

65 The Company has entered into a Share subscription and purchase agreement dated 11 March 2024 with Crestia Polytech Private Limited for subscription and purchase of the shares of Crestia Polytech Private Limited, Topline Industries Private Limited, Aditya Polytechnic Private Limited, Sainath Polymers and Aditya Industries (collectively referred to as "Crestia and its group entities"). Subsequent to the year ended 31 March 2024, the Company has acquired 100% stake in Crestia Polytech Private Limited, Topline Industries Private Limited, Aditya Polytechnic Private Limited and Prabhu Sainath Polymers Private Limited by investing INR 15844.71 lacs. The acquisition was completed on 05 April 2024 subject to the conditions specified in the agreement by the respective parties and the Company has acquired control by way of acquisition of shares. However, the acquisition of Aditya Industries has not been completed since the conversion of said partnership firm into private limited company is under process and the acquisition will be completed once the conversion is occurred. This transaction was approved by the Board of Directors in their meeting held on 11 March 2024. The acquisition is expected to achieve synergy by integrating the acquired assets into the Company's existing Polymer Solutions segment business and help in exploring untapped geographies.

The Company is in the process of completing the purchase price allocation for the aforesaid acquisitions and accordingly disclosures required under paragraphs B64 (e)-(q) of Ind AS 103 - Business Combinations are not being made. The Company has incurred acquisition-related costs of INR 603.90 lacs on legal fees, due diligence costs and other professional fees. These costs have been included in "other expenses" in the statement of profit and loss.

66 Certain land and buildings classified under non-current assets held for sale as identified in the previous year have been sold during the year. Profits arising on the sale transactions have been reported under Exceptional items amounting to INR 3721.29 lacs.

As per our Report of even date attached

for **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number: 128510W

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

Sulabh Kumar Kedia
Partner
Membership No.: 066380
Place: New Delhi
Date: 07 May 2024

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and
Chief Executive Officer
DIN: 10039820
Place: New Delhi

Ajay Kapadia
Chief Financial Officer
Membership No.: 108447
Place: New Delhi

Nidhi Bisaria
Company Secretary
Membership No.: F5634
Place: New Delhi

Date: 07 May 2024

Independent Auditor's Report

To
The Members of HIL Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of HIL Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture, which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on consolidated financial information of such subsidiaries as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other auditor on consolidated financial information of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Goodwill and Brand with indefinite useful life

See Note 6 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Holding Company performs impairment assessment of Goodwill and Brand under Ind AS 36 "Impairment of Assets" on an annual basis and whenever there is an indication of impairment. The aforesaid assets arose on acquisition of a European Business. The Holding Company has assessed the useful life of the Brand also as indefinite. In performing the impairment test, the Holding Company has made several key assumptions, such as growth rates, discount rates and forecasted cash flows relating to the aforesaid entity. We identified impairment of Goodwill and Brand as a key audit matter because these estimates involve significant judgement, and the underlying assumptions are inherently uncertain.	Our audit procedures include the following: • We evaluated the design and implementation of key internal financial controls of the Holding Company with respect to the impairment assessment of Goodwill and Brand and tested operating effectiveness of such controls; • We tested budgeting procedures upon which the cash flow forecasts were based. We also compared the actual past performances with the budgeted figures; • We involved internal valuation specialists to assist us in evaluating the key assumptions and methodology used by the Holding Company, in particular those relating to the forecast of the revenue growth, profit margins and discount rate. Internal valuation specialists also compared the assumptions to externally derived data in relation to key inputs such as projected economic growth, competition, cost inflation and discount rates;

The key audit matter	How the matter was addressed in our audit
	• We assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions; and • We assessed the adequacy of the disclosures including disclosures of key assumptions, judgments and sensitivities.

Revenue recognition

See Note 23 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group's revenue is primarily derived from sale of products of roofing solutions, building solutions, polymer solutions, flooring solutions and others. We have identified timing of revenue recognition as a key audit matter because there are variations in different sale contracts and consequently, there is a risk of revenue being overstated on account of recognition before transfer of control particularly due to pressures for achieving the performance targets for the year.	Our audit procedures include the following: • We assessed the appropriateness of the revenue recognition accounting policies and compliance with Indian accounting standards; • We evaluated the design and implementation of key internal financial controls with respect to revenue recognition and tested operating effectiveness of such controls on selected transactions; • We performed substantive testing on samples selected using statistical sampling of revenue transactions, recorded during the year by testing the underlying documents to assess whether criteria for revenue recognition are met; • We tested sample journal entries selected based on specified risk-based criteria, to identify unusual items • We tested, on a sample basis using statistical sampling, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by testing the underlying documents; and • We carried out product wise year on year variance analysis on revenue recognised during the year to identify unusual variances.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company , regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial information of five subsidiaries (including step down subsidiaries), whose financial information reflects total assets (before consolidation adjustments) of INR 120,741.19 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of INR 114,426.71 lakhs and net cash inflows (before consolidation adjustments) amounting to INR 1,368.97 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (including step down subsidiaries), and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries (including step down subsidiaries) is based solely on the report of the other auditor.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

b. The consolidated financial statements include the Group's share of net loss after tax (and other comprehensive income) of INR 58.33 lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of one joint venture, whose financial information have not been audited by us or by other auditor. This unaudited financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on consolidated financial information of such subsidiaries, as were audited by other auditor and unaudited information of the joint venture furnished by the Management, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor, except that the back-up of Oracle Financial Consolidation and Close Cloud Service tool which form part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the servers physically located in India and for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2024 taken on record by the Board of Directorsof the Holding Company, none of the directors of the Holding company is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on consolidated financial information of the subsidiaries and unaudited information of the joint venture, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group and its joint venture. Refer Note 39 to the consolidated financial statements.

b. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024. Refer Note 49 to the consolidated financial statements.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024.

d (i) The management of the Holding Company represented to us that, to the best of their knowledge and belief, other than as disclosed in the Note 60 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company represented to us that, to the best of their knowledge and belief, as disclosed in the Note 60 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 16 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

(i) In case of an accounting software used for maintaining general ledger, the feature of recording audit trail (edit log) facility was not enabled at the application level for the period 1 April 2023 to 15 April 2023. Further, the audit trail feature was not enabled at the database level to log any direct data changes.

(ii) In the absence of an independent service auditor's report from 1 January 2024 to 31 March 2024 in relation to controls at a service organisation for an accounting software used for maintaining the books of account relating to payroll records and employee expense reimbursements, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated from 1 January 2024 to 31 March 2024 for all relevant transactions recorded in the software.

(iii) In the absence of an independent service auditor's report in relation to controls at a service organisation for an accounting software used for maintaining the books of account relating to consolidation, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

(iv) The accounting software used for maintaining the books of account relating to vendor invoice processing did not have the feature of recording audit trail (edit log) facility.

Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

We draw attention to Note 40 to the consolidated financial statements for the year ended 31 March 2024 according to which the managerial remuneration paid / payable to the Managing Director and Chief Executive Officer of the Holding Company is INR 854.11 lakhs as compared to the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 of INR 578.39 lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Holding Company proposes to obtain in the forthcoming Annual General Meeting. Our opinion is not modified in respect of this matter.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Sulabh Kumar Kedia
Partner
Membership No.: 066380
ICAI UDIN:24066380BKGXQL5633

Place: New Delhi
Date: 07 May 2024

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable/ qualified remark given by its auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
01	HIL Limited	L74999TG1955PLC000656	Holding company	Clause (i) (c)

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Sulabh Kumar Kedia
Partner
Membership No.: 066380
ICAI UDIN:24066380BKGXQL5633

Place: New Delhi
Date: 07 May 2024

Annexure B to the Independent Auditor's Report on the consolidated financial statements of HIL Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of HIL Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Sulabh Kumar Kedia
Partner
Membership No.: 066380
ICAI UDIN:24066380BKGXQL5633

Place: New Delhi
Date: 07 May 2024

Consolidated Balance Sheet

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	115391.79	95610.50
(b) Capital work-in-progress	4	4186.08	3047.55
(c) Investment property	5	1911.35	1941.72
(d) Goodwill	6 and 33	14310.54	14245.64
(e) Other intangible assets	6	9410.39	9951.90
(f) Intangible assets under development	6	518.51	240.10
(g) Equity accounted investee	53	115.41	175.57
(h) Financial assets			
(i) Investments	7	34.13	34.06
(ii) Trade receivables	8	31.21	20.80
(iii) Loans	9	2696.91	2684.00
(iv) Other financial assets	10	1729.69	2183.95
(i) Non-current tax assets (net)		584.56	539.19
(j) Other non-current assets	11	1806.88	1210.22
Total non-current assets		**152727.45**	**131885.20**
Current assets			
(a) Inventories	12	71420.21	68413.56
(b) Financial assets			
(i) Investments	7	10229.38	-
(ii) Trade receivables	8	15375.66	12834.14
(iii) Cash and cash equivalents	13	13459.02	6197.19
(iv) Bank balances other than (iii) above	14	91.83	86.31
(v) Other financial assets	10	3691.91	8727.40
(c) Current tax assets (net)		759.91	361.72
(d) Other current assets	11	6568.12	7933.04
Total current assets		**121596.04**	**104553.36**
TOTAL ASSETS		**274323.49**	**236438.56**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	756.81	756.48
(b) Other equity	16	124527.08	123608.95
Equity attributable to the owners of the Company		**125283.89**	**124365.43**
Non-controlling interest		-	-
TOTAL EQUITY		**125283.89**	**124365.43**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	31966.17	20378.48
(ia) Lease liabilities	18	20301.50	1283.48
(ii) Other financial liabilities	20	21.68	19.27
(b) Provisions	21	3775.87	3277.50
(c) Deferred tax liabilities (net)	34	6783.54	10144.80
(d) Other non-current liabilities	22	-	28.18
Total non-current liabilities		**62848.76**	**35131.71**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	22816.01	20366.52
(ia) Lease Liabilities	18	2516.80	1165.85
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	19	2068.83	2203.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	37174.38	31654.77
(iii) Other financial liabilities	20	15092.90	14121.76
(b) Other current liabilities	22	3621.30	3697.45
(c) Provisions	21	2707.78	3539.23
(d) Current tax liabilities (net)		192.84	192.84
Total current liabilities		**86190.84**	**76941.42**
TOTAL LIABILITIES		**149039.60**	**112073.13**
TOTAL EQUITY AND LIABILITIES		**274323.49**	**236438.56**
Summary of material accounting policies	3		
See accompanying notes to the consolidated financial statements			

As per our Report of even date attached

for **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number: 128510W

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

Sulabh Kumar Kedia
Partner
Membership No.: 066380
Place: New Delhi
Date: 07 May 2024

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and
Chief Executive Officer
DIN: 10039820
Place: New Delhi

Ajay Kapadia
Chief Financial Officer
Membership No.: 108447
Place: New Delhi

Nidhi Bisaria
Company Secretary
Membership No.: F5634
Place: New Delhi

Date: 07 May 2024

Consolidated Statement of Profit and Loss

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Particulars		Notes	As at 31 March 2024	As at 31 March 2023
I	Revenue from operations	23	337496.61	347895.89
	Other income	24	2983.39	2534.28
	TOTAL INCOME (I)		**340480.00**	**350430.17**
II	**EXPENSES**			
	Cost of materials consumed	25	176636.10	194905.51
	Purchases of stock-in-trade	26	16069.01	9743.28
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(1203.70)	1080.27
	Employee benefits expense	28	46736.94	41133.90
	Finance costs	29	3535.44	1956.74
	Depreciation and amortisation expense	30	12001.40	11077.34
	Other expenses	31	86813.40	78741.14
	TOTAL EXPENSES (II)		**340588.59**	**338638.18**
III	**Profit before share of (loss) / profit of equity accounted investees and tax (I-II)**		**(108.59)**	**11791.99**
IV	**Exceptional items**	11	**3721.29**	**-**
V	**Profit before share of profit / (loss) of equity accounted investees and tax for the year (III+IV)**		**3612.70**	**11791.99**
VI	**Share of (loss) of equity accounted investees (net of tax)**	53	**(58.33)**	**(119.19)**
VII	**Profit before tax (V+VI)**		**3554.37**	**11672.80**
VIII	**Tax expense:**			
	Current tax	34	3410.34	2329.05
	Deferred tax	34	(3334.51)	(366.59)
IX	**Profit for the year (VII-VIII)**		**3478.54**	**9710.34**
X	**Other comprehensive income/ (loss)**			
	Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of defined benefit (liability) / asset	36	(153.18)	468.51
	Income-tax relating to above item	34	41.01	(130.38)
			(112.17)	**338.13**
	(b) Equity investments through other comprehensive income - net change in fair value	7	0.07	(0.58)
	Income-tax relating to above item	34	(0.02)	0.12
			0.05	**(0.46)**
	Items that will be reclassified subsequently to profit or loss			
	(a) Exchange difference in translating financial statements of foreign operations	16	178.36	2376.93
	Other comprehensive income for the year, net of tax		**66.24**	**2714.60**
XI	**Total comprehensive income for the year (IX + X)**		**3544.78**	**12424.94**
XII	**Profit attributable to:**			
	Owners of the Company		3478.54	9710.34
	Non-controlling interests		-	-
	Profit for the year		**3478.54**	**9710.34**
XIII	**Other comprehensive income attributable to:**			
	Owners of the Company		66.24	2714.60
	Non-controlling interests		-	-
	Other comprehensive income for the year		**66.24**	**2714.60**
XIV	**Total comprehensive income attributable to:**			
	Owners of the Company		3544.78	12424.94
	Non-controlling interests		-	-
	Total comprehensive income for the year		**3544.78**	**12424.94**
XV	**Earnings per equity share (Face value of INR 10 each)**	37		
	Basic (in INR)		46.15	129.09
	Diluted (in INR)		46.15	129.06
	Summary of material accounting policies	3		
	See accompanying notes to the consolidated financial statements			

As per our Report of even date attached

for **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number: 128510W

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

Sulabh Kumar Kedia
Partner
Membership No.: 066380
Place: New Delhi
Date: 07 May 2024

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and
Chief Executive Officer
DIN: 10039820
Place: New Delhi

Ajay Kapadia
Chief Financial Officer
Membership No.: 108447
Place: New Delhi

Nidhi Bisaria
Company Secretary
Membership No.: F5634
Place: New Delhi

Date: 07 May 2024

Consolidated Statement of Cash Flows

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
A	**Cash flows from operating activities**		
	Profit for the year (before tax)	3554.37	11672.80
	Adjustments for:		
	Depreciation and amortisation expense	12001.40	11077.34
	Rental income from investment property	(559.98)	(497.63)
	Provision for impairment of receivables, advances and other assets, net	(172.51)	167.07
	Liabilities no longer required written back	(439.62)	(95.80)
	Bad debts written off	636.02	-
	Net loss on sale of property, plant and equipment	162.26	183.12
	Foreign exchange fluctuations, net	(3.33)	(10.92)
	Gain on sale of non-current assets held for sale	(3721.29)	-
	Share of profit of equity accounted investee	58.33	119.19
	Change in fair value of financial assets measured at FVTPL, net	1182.01	(356.33)
	Gain on sale of current investments net	(34.20)	(79.56)
	Employee share based payment expense / (reversal)	348.04	(106.08)
	Finance costs	3535.44	1956.74
	Interest income	(165.98)	(89.53)
	Interest income on income tax refund	-	(504.70)
	Government grant	(84.55)	(84.55)
	Dividend income on equity securities	(0.27)	(0.40)
	Operating profit before working capital adjustments	**16296.14**	**23350.76**
	Working capital adjustments:		
	(Increase) /decrease in inventories	(2855.15)	3283.26
	Increase in trade receivables	(3037.14)	(1784.29)
	Decrease / (increase) in other financial assets	4311.91	(2999.99)
	Decrease / (increase) in other assets	1149.44	(1893.34)
	Increase / (decrease) in trade payables	5300.11	(3118.56)
	Increase / (decrease) in other financial liabilities	1105.67	(2458.67)
	(Decrease) / increase in provisions	(507.18)	41.38
	(Decrease) / increase in other liabilities	(574.12)	653.84
	Cash generated from operating activities	**21189.68**	**15074.39**
	Income-tax paid (net of refund)	(3859.41)	(1873.60)
	Net cash from operating activities (A)	**17330.27**	**13200.79**
B	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment	(11443.39)	(13254.99)
	Proceeds from sale of property, plant and equipment	36.18	39.78
	Proceeds from sale of non-current assets held for sale	3756.68	-
	Advance for sale of non-current asset held for sale	830.00	-
	Acquisition of business	-	(3628.50)
	Proceeds from sale of mutual funds	10529.80	29027.80
	Purchase of mutual funds	(20698.97)	(28948.55)
	Interest received	155.92	141.42
	Dividend received	0.27	0.40
	Bank balances not considered as cash and cash equivalents	(5.52)	1043.24
	Loans given	-	(2684.00)
	Rent received from long-term investment in properties	559.98	497.63
	Net cash used in investing activities (B)	**(16279.05)**	**(17765.77)**
C	**Cash flows from financing activities***		
	Repayment of long-term borrowings	(23152.26)	(5656.64)
	Receipts of long-term borrowings	34540.21	6761.55
	Receipts of short-term borrowings (net)	2425.90	10624.93
	Finance costs	(3344.49)	(1595.06)
	Interest on lease liabilities	(93.18)	(101.62)
	Repayment of lease liabilities	(1222.95)	(1231.64)
	Proceeds from issue of share capital	41.17	292.01
	Dividend paid on equity shares	(3021.14)	(4884.28)
	Net cash generated from financing activities (C)	**6173.26**	**4209.25**
	Net decrease in cash and cash equivalents (A+B+C)	**7224.48**	**(355.73)**
	Cash and cash equivalents at the beginning of the year	6197.19	6213.88
	Effect of changes in foregin currency fluctuation on cash and cash equivalents	37.35	339.04
	Cash and cash equivalents at the end of the year	**13459.02**	**6197.19**

Consolidated Statement of Cash Flows (Contd.)

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

*** Changes in liabilities arising from financing activities:**

Particulars	As at 01 April 2023	Cash flow changes	Non-cash changes	As at 31 March 2024
Long-term borrowings	24158.54	11387.95	227.36	35867.95
Short-term borrowings	16586.46	2425.90	7.27	18914.23
Lease liabilities	2449.33	(1316.13)	21685.10	22818.30

Particulars	As at 01 April 2022	Cash flow changes	Non-cash changes	As at 31 March 2023
Long-term borrowings	22898.45	1104.91	155.18	24158.54
Short-term borrowings	5869.34	10624.93	92.19	16586.46
Lease liabilities	2502.23	(1333.26)	1280.36	2449.33

Note:

a) The above consolidated statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

b) Cash and cash equivalents comprises of:

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks:		
- On current accounts	13436.25	6186.40
Cash on hand	22.77	10.79
Cash and cash equivalents as per balance sheet	**13459.02**	**6197.19**

Summary of material accounting policies (refer note 3)

See accompanying notes to the consolidated financial statements

As per our Report of even date attached

for **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number: 128510W

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

Sulabh Kumar Kedia
Partner
Membership No.: 066380
Place: New Delhi
Date: 07 May 2024

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and
Chief Executive Officer
DIN: 10039820
Place: New Delhi

Ajay Kapadia
Chief Financial Officer
Membership No.: 108447
Place: New Delhi

Nidhi Bisaria
Company Secretary
Membership No.: F5634
Place: New Delhi

Date: 07 May 2024

Consolidated Statement of Changes in Equity

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

a. Equity share capital

Particulars	Balance at the beginning of the year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
Balance as at 31 March 2024	**756.48**	-	**756.48**	**0.33**	**756.81**
Balance as at 31 March 2023	**754.11**	**-**	**754.11**	**2.37**	**756.48**

b. Other equity

Particulars	Reserves and surplus					Items of OCI		Total
	Retained earnings	Securities premium	General reserve	Capital redemption reserve	Shares options outstanding account	Equity investments through OCI	Exchange differences on translation of foreign operations	
Balance at 01 April 2022	**70096.57**	**1192.50**	**43100.00**	**35.00**	**230.95**	**25.29**	**1208.47**	**115888.78**
Total comprehensive income for the year ended 31 March 2023								
Profit for the year	9710.34	-	-	-	-	-	-	9710.34
Share based payment, net of reversal (refer note 42)	-	-	-	-	(106.08)	-	-	(106.08)
Other comprehensive income (net of tax)	338.13	-	-	-	-	(0.46)	2376.93	2714.60
Total comprehensive income	**10048.47**	**-**	**-**	**-**	**(106.08)**	**(0.46)**	**2376.93**	**12318.86**
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-	-
Transactions with owners-Dividend	(4888.33)	-	-	-	-	-	-	(4888.33)
Share options exercised	-	400.93	-	-	(111.29)	-	-	289.64
Balance at 31 March 2023	**74256.71**	**1593.43**	**44100.00**	**35.00**	**13.58**	**24.83**	**3585.40**	**123608.95**
Total comprehensive income for the year ended 31 March 2024								
Profit for the year	3478.54	-	-	-	-	-	-	3478.54
Share based payment, net of reversal (refer note 42)	-	-	-	-	348.04	-	-	348.04
Other comprehensive income (net of tax)	(112.17)	-	-	-	-	0.05	178.36	66.24
Total comprehensive income	**3366.37**	**-**	**-**	**-**	**348.04**	**0.05**	**178.36**	**3892.82**
Transactions with owners-Dividend	(3015.52)	-	-	-	-	-	-	(3015.52)
Share options exercised	-	56.53	-	-	(15.70)	-	-	40.83
Balance at 31 March 2024	**74607.56**	**1649.96**	**44100.00**	**35.00**	**345.92**	**24.88**	**3763.76**	**124527.08**

As per our Report of even date attached

for **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number: 128510W

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

Sulabh Kumar Kedia
Partner
Membership No.: 066380
Place: New Delhi
Date: 07 May 2024

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and
Chief Executive Officer
DIN: 10039820
Place: New Delhi

Ajay Kapadia
Chief Financial Officer
Membership No.: 108447
Place: New Delhi

Nidhi Bisaria
Company Secretary
Membership No.: F5634
Place: New Delhi

Date: 07 May 2024

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

1 Corporate information

HIL Limited (the "Company") is a Company domiciled in India, with its registered office situated at Level 7, SLN Terminus, Gachibowli, Hyderabad -500032, Telangana. The Company has been incorporated as a public limited company under the provisions of Companies Act, 1956 and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited in India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as "the Group") and the Group's interest in joint ventures.

The following subsidiaries and joint ventures are considered in the consolidated financial statements of the Company:

Asset	Country of incorporation	% of equity interest
Subsidiary		
HIL International GmbH	Germany	100%
Step down subsidiaries		
Parador Holding GmbH	Germany	100%
Parador GmbH	Germany	100%
Parador Parkettwerke GmbH	Austria	100%
Parador UK Limited	England	100%
Joint ventures		
Parador (Shanghai) Trading Co., Ltd.	China	50%

Note: In addition to above, the Company has a 33% equity interest in Supercor Industries Limited, Nigeria. The same has not been consolidated in these consolidated financial statements for the reasons described in note 46(a).

The Group operations are broadly classified into Roofing Solutions, Building Solutions, Polymer Solutions, Flooring Solutions and Others.

Roofing Solutions consists of manufacturing, selling and distribution of Fiber Cement Sheets, Colored Steel Sheets and Cement based Non-Asbestos Corrugated Sheets with manufacturing facilities located at Faridabad, Jasidih, Kondapalli, Wada, Sathariya and Balasore.

Building Solution broadly classifies into Wet-Walling Solutions and Dry-Walling Solutions, which includes manufacturing and distribution of Fly Ash Blocks, Smart Fix, Smart Plaster, Smart Bond, Panels, and Boards with manufacturing facilities located at Hyderabad, Thimmapur, Faridabad, Chennai, Golan, Jhajjar, Balasore and Cuttack.

Polymer Solutions consists of UpVC, CpVC, SWR Pipes & Fittings and Wall Putty with manufacturing facilities located at Faridabad, Thimmapur, Golan and Jhajjar. It includes the trading of Construction Chemicals consisting of Ready-mix Plasters, Primers, Block Joining Mortars and Tile Adhesives.

Flooring Solutions consists of Laminate, ClickBoard, Panels and Mouldings, Engineered, Resilient and Designer with manufacturing facilities located at Coesfeld, Germany and Gussing, Austria.

Others includes Material Handling and Processing Plant and Equipment with manufacturing facilities at Hyderabad, and revenue generated through Wind Turbine Generators situated in Gujarat, Tamil Nadu and Rajasthan.

2 Basis of preparation

A. Statement of compliance

a) These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time notified under Section 133 of the Companies Act, 2013 ("the Act"), and other relevant provision of the Act under the historical cost convention on an accrual basis and going concern except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

b) The consolidated financial statements were authorised for issue by the Company's Board of Directors on 07 May 2024.

c) Details of the Group's accounting policies are included in note 3.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts presented in Indian Rupees have been rounded-off to two decimal places to the nearest lacs except share data or as otherwise stated.

C. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

2 Basis of preparation (Contd.)

C. Basis of measurement (Contd..)

the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
- Certain financial assets and liabilities (including derivative instruments)	Fair value
- Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations
- Net identifiable assets, goodwill and other intangibles on business acquisition	Fair value (see note 33C)
- Leases	Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. Right-to-use asset has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Practical expedient on transition to exclude initial direct costs from ROU asset measurement is considered.
- Non-current assets held for sale	The assets classified as held for sale are measured at lower of carrying amounts and fair value less costs to sell at the time of classification.

D. Use of estimates and judgment

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 50 – leases: whether an arrangement contains a lease;
- Note 50 – lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 6 – impairment test of goodwill and intangible asset with indefinite life: key assumptions used in discounted cash flow projection;
- Note 11 – impairment test of other assets;
- Note 11 – determining the fair value less costs to sell off the non-current assets held for sale on the basis of significant observable inputs;
- Note 21 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 33 – fair value consideration transferred on business acquisition and fair value of net identifiable assets on acquisition date;
- Note 36 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 10 – impairment of financial assets.

E. Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

2 Basis of preparation (Contd.)

E. Measurement of fair values (Contd..)

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 05 – investment property;
- Note 11 – non-current assets held for sale;
- Note 42 – share based payment arrangements;
- Note 56 – financial instruments
- Note 33 – business acquisition.

F. Current/ Non-current classification

Based on the time involved between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

a. Basis of consolidation

i. Business combination

In accordance with Ind AS 103, Business Combination, the Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see note 3(h)). Any gain on a bargain purchase is recognised in other comprehensive income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

a. Basis of consolidation (Contd.)

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests ("NCI")

NCI are initially measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

iv. Loss of control

When the Group loses control over the subsidiaries, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date on which control is lost. Any resulting gain or loss is recognised in profit or loss.

v. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which joint control ceases.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

- foreign currency monetary items are translated in the functional currency at the exchange rate at the reporting date.
- non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.
- non-monetary assets and liabilities denominated in a foreign currency that are measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.
- exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the following items which are recognised in OCI.

An investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

ii. Foreign operations

The assets and liabilities of foreign operations (subsidiaries and joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

b. Foreign currency (Contd.)

ii. Foreign operations (Contd.)

The foreign currency translation differences in respect of foreign operations are recognised in OCI and accumulated in equity (as exchange differences on translation of foreign operations), except to the extent that the exchange differences are allocated to NCI.

c. Financial instruments

i Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

At the time of initial recognition, these financial assets (unless it is a trade receivable without a significant financing component) or financial liabilities are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. A trade receivable without a significant financing component is initially measured at transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets in which case all affected financial assets are re-classified on first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

c. Financial instruments (Contd.)

ii. Classification and subsequent measurement (Contd.)

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Contract liabilities against payment have been considered as other financial liabilities. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, gain or loss on derecognition and foreign exchange gains and losses, are recognised in profit or loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its consolidated balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised immediately in the profit or loss and are included in other income or expenses.

d. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment including capital work-in-progress are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates), including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Freehold land is carried at historical cost less any accumulated impairment losses.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

d. Property, plant and equipment (Contd.)

i. Recognition and measurement (Contd.)

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The cost property plant, and equipment as at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to the carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as capital advance in other non-current assets.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are depreciated over the period of the lease.

The estimated useful lives of items of property, plant and equipment are estimated by the management, which are equal to the life prescribed under the Schedule II of the Act, except for following assets mentioned below which are based on technical evaluation and past experience:

Plant and machinery: 4 years to 25 years as against 15 years

Certain buildings: 25 years as against 30 years

Certain moulds and dies: 6 / 9 years as against 8 years

Wind power generation plant: 25 years as against 22 years

The estimated useful lives of items of property, plant and equipment acquired in business combination (see note 33) have been considered at the remaining useful life on acquisition date (as per books of account of the acquiree).

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions / (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use / (disposed off).

e. Goodwill and other intangible assets

i. Recognition and measurement

Goodwill

Acquisition method as per Ind AS 103 'Business Combinations' is used for valuation of goodwill arising on business acquisition see note 3(v). Subsequent to initial recognition, goodwill is measured at cost, less accumulated impairment losses (see note 3(g) (ii)), if any .

Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value,

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

e. Goodwill and other intangible assets (Contd.)

i. Recognition and measurement (Contd.)

at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost (see note 3 (v)). The cost of intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Group and the cost of the asset is measured reliably. Following initial recognition, other intangible assets, including those acquired by the Group in a business combination and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill is recognised in profit or loss as incurred.

iii. Amortisation

Goodwill and intangible assets with indefinite life, is not amortised as per Ind AS 103 and is tested for impairment annually, or more frequently when there is an indication that the value of cash-generating unit to which these assets have been allocated, may be impaired.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in profit or loss.

The estimated useful lives are as follows:

Asset	Years
- Service concession arrangement	25
- Computer software	3 - 5
- Patents	7
- Brand	5
- Non-compete	5

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. Transition to Ind AS

The cost of Intangible Assets as at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to the carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

f. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on investment property other than perpetual leasehold land is calculated on a straight-line basis based on the useful life estimated by the management, which is equal to life prescribed in Schedule II of the Act.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

f. Investment property (Contd.)

Investment property is derecognised either when it has been disposed off or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the profit or loss.

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

g. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads on normal operating capacity. In the case of raw materials and stock-in-trade, cost comprises of cost of purchase.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

h. Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables, loans, contract assets are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

h. Impairment (Contd.)

i. Impairment of financial instruments (Contd.)

expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in consolidated balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. They are allocated first to reduce the carrying value of goodwill allocated to the CGU and then to reduce the carrying amount of other assets in the CGU or prorata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

i. Employee benefits (Contd.)

ii. Share-based payment arrangements

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in 'Share options outstanding account' reserves in equity, over the period in which the performance and / or service conditions are fulfiled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. Incase of cancellation of options granted before the completion of vesting period the cost is reversed in the statement of profit and loss.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Group providing retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions payable to the provident fund and superannuation fund are recognised as expenses, when an employee renders the related services. The Group has no obligation, other than the contribution payable to the funds.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Group accounts for gratuity liability of its employees including contract workers on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Discount rate is determined by reference to market yields government bonds, at the end of the reporting period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. Such entitlement is

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

i. Employee benefits (Contd.)

v. Compensated absences (Contd.)

discounted to determine its present value. The obligation is measured semi-annually by a qualified actuary on the basis of actuarial valuation using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

vi. Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

j. Revenue

Revenue from contract with customers

The Group generates revenue from its ordinary activities i.e., from sale of goods and services. A contract in this context shall fulfil all of the following conditions:

- Both the parties to the contract agree on the contract terms.
- Performance obligations of each of the parties is identifiable and there exists a commitment to perform their respective obligations; and
- The commercial substance or the purchase consideration is measurable and the collectability is probable.

Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by the nature of sale i.e. manufactured and traded goods, solutions i.e. roofing solutions, building solutions, polymer solutions, flooring solutions and others and geographic market. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cash flows are affected by industry, market and other economic factors.

Contract balances

The Group classifies the right to consideration in exchange for sale of goods as trade receivables, advance consideration as contract liability against payment and unredeemable customer loyalty points as contract liability against performance obligation.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration adjusted with discounts and incentives, if any, as specified in a contracts with customers. Revenue is recognised to the extent of fulfilment of each of the performance obligations to the contract. The Group recognises revenue when it transfers control over the goods or services to the customers. The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies.

a. Sale of products

(i) Nature and timing of satisfaction of performance obligations including significant payment terms: The timing of transfer of control is driven by the individual terms of contracts. Invoices are usually payable within agreed credit terms. For customer loyalty programme refer note (b) below.

(ii) Revenue is recognised when a customer obtains control of the goods which is driven by the individual terms of contracts. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

b. Customer loyalty programmes

(i) Nature and timing of satisfaction of performance obligations including significant payment terms: Customers who purchases products may enter into Group's customer loyalty programme and earn credits. These credits are redeemed against the awards as per the terms of the programme.

(ii) The Group allocates a portion of the consideration received to loyalty credits.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

j. Revenue (Contd.)

b. *Customer loyalty programmes (Contd.)*

This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liability against performance obligation.

c. *Sale of services*

Revenue from sale of services is recognised when it is measurable and it is probable that future economic benefits will flow to the entity in accordance with tariff provided in power purchase agreement.

d. *Rental income*

Rental income from investment property is recognised as part of other income in the Statement of profit or loss on a straight-line basis over the term of the lease.

k. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

l. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis.

m. Leases

i. *Leases as lessee*

As a lessee, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. The Group decided to apply recognition exemptions to short-term leases.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

m. Leases (Contd.)

i. Leases as lessee (Contd.)

the end of the lease term or the cost of the right of use asset reflects that the Group will exercise the purchase option. In that case, estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset lease. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments included in the measurement of the lease liability comprise:

a. Fixed payments including in-substance fixed payments

b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

c. Amounts expected to be payable under a residual value guarantee

d. The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with the leases as an expense in the profit and loss on a straight line basis over lease term.

The Group presents right-of-use assets that donot meet the definition of Investment property in 'Property, plant and equipment' and lease liabilities in 'Financial liabilities' in the consolidated balance sheet.

ii. Leases as lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

m. Leases (Contd.)

ii. Leases as lessor (Contd.)

lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

n. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for

(a) temporary differences arising on the initial recognition of assets or liabilities in a transaction that:

- is not a business combination and
- at the time of transation (i) that affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary difference.

(b) temporary taxable differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

o. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract which is determined based on the incremental cost of fulfiling the obligation under the contract and an allocation of other cost directly related to fulfiling the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events, the occurrence or non-occurrence of which is dependent on the happening of one or more uncertain future events not wholly within the control of the entity; or a present obligation arising from past events with no probability of future outflow of economic benefits or the outflow cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are recognised in the period in which it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date.

q. Earnings per share (“EPS”)

Basic earnings per share is computed by dividing the net profit (or loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

r. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of a non-cash nature

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Material accounting policies (Contd.)

r. Cash flow statement (Contd.)

and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

s. Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

t. Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated. These assets are classified separately from the other assets / liabilities in the balance sheet.

u. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

v. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

w. Changes in material accounting policies

a. Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IndAS 12) from 1 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting differences (e.g. leases). For leases, the Group is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as adjustment to retained earnings or other components of equity at that date.

The Group previously accounted for deferred tax on leases by applying 'inter linked' approach, resulting in similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the ammedments, the Group has recognised separate deferred tax asset in related to its lease liabilities and a deferred tax liability in relation to its right-to-use assets as at 1 April 2023 and thereafter. However, there was no impact on the balance sheet because the balances qualify for offset under paragraph 74 of Ind AS 12. There was also no impact on the opening retained earnings as at 1 April 2023 as a result of the change.

b. Material accounting policy information

The Group adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendmemts also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity - specific accounting policy information that users needs to understand the other information in the financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

4. Property, plant and equipment

Particulars	Freehold land (refer note (a) below)	Leasehold land	Buildings	Railway sidings	Plant and equipment (refer note (b) below)	Furniture and fittings	Office equipment	Vehicles	Right of use assets (refer note (e) below)	Total	Capital work-in-progress (refer note (f) below)
A. Cost or Deemed cost (Gross carrying amount)											
As at 01 April 2022	6949.35	75.43	35513.30	0.63	75778.87	779.20	3443.98	420.13	5626.75	128587.64	2275.85
Acquisitions through business combination (refer note 33)	880.19	-	742.81	-	1041.22	2.00	6.00	1.00	-	2673.22	-
Additions	67.79	-	1507.09	-	9510.55	64.26	270.91	37.53	1177.89	12636.02	12252.06
Disposals	-	-	(17.04)	-	(1513.19)	(33.00)	(29.48)	(0.57)	(1428.41)	(3021.69)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(11487.73)
Exchange differences on translation of foreign operations	282.70	-	1143.48	-	1401.10	-	193.15	11.84	165.51	3197.78	7.37
Reclassification to non-current assets held for sale (refer note 11)	(1.03)	-	(78.36)	-	-	-	-	-	-	(79.39)	-
Reclassification from non-current assets held for sale (refer note 11)	-	-	-	-	13.34	-	-	-	-	13.34	-
As at 31 March 2023	**8179.00**	**75.43**	**38811.28**	**0.63**	**86231.89**	**812.46**	**3884.56**	**469.93**	**5541.74**	**144006.92**	**3047.55**
Additions	-	-	1481.44	-	6260.48	24.04	449.68	40.52	22542.58	30798.74	9393.49
Disposals	-	-	(101.17)	-	(1954.08)	(6.30)	(24.06)	(12.11)	(870.02)	(2967.74)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(8256.16)
Exchange differences on translation of foreign operations	22.89	-	92.47	-	112.49	-	15.99	0.96	40.40	285.20	1.20
As at 31 March 2024	**8201.89**	**75.43**	**40284.02**	**0.63**	**90650.78**	**830.20**	**4326.17**	**499.30**	**27254.70**	**172123.12**	**4186.08**
B. Accumulated depreciation											
As at 01 April 2022	-	75.43	5820.08	0.51	29639.02	379.13	1941.30	262.90	1719.84	39838.21	-
For the year ended 31 March 2023	-	-	1402.85	-	6793.00	86.68	495.98	52.50	1313.51	10144.52	-
Disposals	-	-	(3.22)	-	(1332.70)	(4.80)	(28.83)	(0.42)	(1400.46)	(2770.43)	-
Exchange differences on translation of foreign operations	-	-	198.28	-	810.31	-	126.46	11.01	67.83	1213.89	-
Reclassification to non-current assets held for sale (refer note 11)	-	-	(42.97)	-	-	-	-	-	-	(42.97)	-
Reclassification from non-current assets held for sale (refer note 11)	-	-	-	-	13.20	-	-	-	-	13.20	-
As at 31 March 2023	**-**	**75.43**	**7375.02**	**0.51**	**35922.83**	**461.01**	**2534.91**	**325.99**	**1700.72**	**48396.42**	**-**
For the year ended 31 March 2024	**-**	**-**	**1549.93**	**-**	**7481.22**	**84.59**	**535.48**	**47.49**	**1305.64**	**11004.35**	**-**
Disposals	-	-	(17.29)	-	(1842.41)	(5.29)	(23.68)	(10.61)	(870.02)	(2769.30)	-
Exchange differences on translation of foreign operations	-	-	16.69	-	65.86	-	10.58	0.90	5.83	99.86	-
As at 31 March 2024	-	75.43	8924.35	0.51	41627.50	540.31	3057.29	363.77	2142.17	56731.33	-
C. Net carrying amounts (A-B)											
As at 31 March 2023	**8179.00**	**-**	**31436.26**	**0.12**	**50309.06**	**351.45**	**1349.65**	**143.94**	**3841.02**	**95610.50**	**3047.55**
As at 31 March 2024	**8201.89**	**-**	**31359.67**	**0.12**	**49023.28**	**289.89**	**1268.88**	**135.53**	**25112.53**	**115391.79**	**4186.08**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

4. Property, plant and equipment (Contd.)

Note:

a) Title deeds of immovable properties not held in the name of the Group

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Freehold Land as at 31 March 2024 and as at 31 March 2023	1.27	Faridabad Complex Administration (now known as Municipal Corporation of Faridabad)	No	1964	Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad.

b) Refer note 46 for details of assets purchased for Research and Development.

c) Refer note 17 for details of assets pledged against borrowings.

d) The Group has not revalued any property, plant and equipment after initial recognition, during the year ended 31 March 2024 and 31 March 2023.

e) Right of use assets comprise of the following assets:

Particulars	Buildings	Land	Vehicles	Plant and equipment	Office equipment	Total
A. Cost or Deemed cost (Gross carrying amount)						
As at 01 April 2022	1376.95	1805.99	1133.76	1217.68	92.37	5626.75
Additions	764.76	14.63	160.86	237.64	-	1177.89
Disposals	(821.60)	-	(354.36)	(252.45)	-	(1428.41)
Exchange differences on translation of foreign operations	27.10	-	56.75	75.85	5.81	165.51
As at 31 March 2023	**1347.21**	**1820.62**	**997.01**	**1278.72**	**98.18**	**5541.74**
Additions	22228.27	-	245.71	4.19	64.41	22542.58
Disposals	(482.62)	-	(213.22)	(75.62)	(98.56)	(870.02)
Exchange differences on translation of foreign operations	29.19	-	4.74	6.06	0.41	40.40
As at 31 March 2024	**23122.05**	**1820.62**	**1034.24**	**1213.35**	**64.44**	**27254.70**
B. Accumulated depreciation						
As at 01 April 2022	585.81	62.00	533.19	487.53	51.31	1719.84
For the year ended 31 March 2023	707.18	34.11	249.42	292.18	30.62	1313.51
Disposals	(793.67)	-	(354.34)	(252.45)	-	(1400.46)
Exchange differences on translation of foreign operations	3.86	-	25.08	33.53	5.36	67.83
As at 31 March 2023	**503.18**	**96.11**	**453.35**	**560.79**	**87.29**	**1700.72**
For the year ended 31 March 2024	665.65	34.93	268.05	304.59	32.42	1305.64
Disposals	(482.63)	-	(213.21)	(75.62)	(98.56)	(870.02)
Exchange differences on translation of foreign operations	0.35	-	2.15	2.99	0.34	5.83
As at 31 March 2024	**686.55**	**131.04**	**510.34**	**792.75**	**21.49**	**2142.17**
C. Net carrying amounts (A-B)						
As at 31 March 2023	**844.03**	**1724.51**	**543.66**	**717.93**	**10.89**	**3841.02**
As at 31 March 2024	**22435.50**	**1689.58**	**523.90**	**420.60**	**42.95**	**25112.53**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

4. Property, plant and equipment (Contd.)

f) Aging details of capital work-in-progress (CWIP) is as below*

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3565.39	616.64	4.05	-	4186.08
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2024	**3565.39**	**616.64**	**4.05**	**-**	**4186.08**
Projects in progress	2840.89	178.24	28.42	-	3047.55
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023	**2840.89**	**178.24**	**28.42**	**-**	**3047.55**

*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

CWIP Projects in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balasore FOB plant	123.36	-	-	-	123.36
As at 31 March 2024	**123.36**	**-**	**-**	**-**	**123.36**
Thimmapur Panel plant automation	201.26	-	-	-	201.26
Balasore FOB plant	125.62	-	-	-	125.62
Balasore panel plant	125.74	-	-	-	125.74
Others	194.03	-	-	-	194.03
As at 31 March 2023	**646.65**	**-**	**-**	**-**	**646.65**

No projects have been temporarily suspended as at 31 March 2024 and 31 March 2023.

5 Investment property

A. Reconciliation of carrying amount

Particulars	As at 31 March 2024	As at 31 March 2023
Cost or Deemed cost (Gross carrying amount) (a)		
Opening balance	2204.89	2204.89
Disposals	-	-
Closing balance	**2204.89**	**2204.89**
Accumulated depreciation (b)		
Opening balance	263.17	232.80
Depreciation for the year	30.37	30.37
Closing balance	**293.54**	**263.17**
Net carrying amounts (a-b)	**1911.35**	**1941.72**
Fair value	**7570.00**	**7594.50**

B. Amounts recognised in profit or loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rental income derived from investment properties (refer note 24)	559.98	497.63
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	559.98	497.63
Less: Depreciation	30.37	30.37
Profit arising from investment properties before indirect expenses	529.61	467.26

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

5 Investment property (Contd.)

C. Measurement of fair values

(i) Fair valuation hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuer is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used (see note 2(E)).

(ii) Valuation technique

Discounted cash flows method and Market comparable method have been used for valuation. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants, if any. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

D. Investment property comprises of the following:

(i) The Company along with other co-owners, has developed a plot of land at 25 Barakhamba Road, New Delhi, where the Company's share is 15%. The registration of the said plot of the value of INR 427.60 lacs (31 March 2023: INR 427.60 lacs) in the name of the Company is pending. Refer details below:

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or their employee	Property held since which date	Reason for not being held in the name of the Company
Land as at 31 March 2024 and 31 March 2023	427.60	The Embassy of Union of Soviet Socialist Republics	No	1989	The process of transfer of property in the name of the Company, is in progress.

(ii) The Group has given the investment properties located in New Delhi and Hyderabad on operating lease to some parties. Certain lease agreements are cancellable and some are non-cancellable in nature. There are no contingent rents in the lease agreements. The lease terms are mainly for 3 to 5 years and are renewable at the option of the lessee. There are no restrictions imposed by lease agreements on realisability of the investment property. Although there are sub-lease rights given to the lessees, there are no sub-leases as on the reporting date.

E. Refer note 44 for details of minimum lease receipts.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

6 Goodwill and other intangible assets

Particulars	Goodwill	Other intangible assets						Intangible assets under development (refer note (a) below
		Softwares	Brand	Non-compete	Patents	Service concession arrangements	Total	
Reconciliation of carrying amount								
Cost or Deemed cost (Gross carrying amount) (A)								
As at 01 April 2022	12696.78	2782.39	6227.37	-	1598.92	1997.94	12606.62	340.94
Acquisitions through business combination (refer note 33)	747.25	-	157.76	27.35	-	-	185.11	-
Additions	-	552.52	-	-	-	-	552.52	416.29
Disposals	-	(71.64)	-	-	-	-	(71.64)	-
Transfers to Intangible assets	-	-	-	-	-	-	-	(552.52)
Exchange differences on translation of foreign operations	801.61	89.52	393.16	-	100.95	-	583.63	35.39
As at 31 March 2023	**14245.64**	**3352.79**	**6778.29**	**27.35**	**1699.87**	**1997.94**	**13856.24**	**240.10**
Additions	-	389.13	-	-	-	-	389.13	667.27
Transfers to Intangible assets	-	-	-	-	-	-	-	(389.13)
Exchange differences on translation of foreign operations	64.90	7.29	31.83	-	8.17	-	47.29	0.27
As at 31 March 2024	**14310.54**	**3749.21**	**6810.12**	**27.35**	**1708.04**	**1997.94**	**14292.66**	**518.51**
Accumulated amortisation (B)								
Balance at 01 April 2022	-	1534.89	-	-	818.48	551.87	2905.24	-
Amortisation for the year	-	564.65	19.62	3.40	227.14	87.64	902.45	-
Disposals	-	(36.83)	-	-	-	-	(36.83)	-
Exchange differences on translation of foreign operations	-	66.14	-	-	67.34	-	133.48	-
As at 31 March 2023	**-**	**2128.85**	**19.62**	**3.40**	**1112.96**	**639.51**	**3904.34**	**-**
Amortisation for the year	-	598.32	31.55	5.47	243.70	87.64	966.68	-
Exchange differences on translation of foreign operations	-	5.54	-	-	5.71	-	11.25	-
As at 31 March 2024	**-**	**2732.71**	**51.17**	**8.87**	**1362.37**	**727.15**	**4882.27**	**-**
Net carrying amounts (A-B)								
As at 31 March 2023	**14245.64**	**1223.94**	**6758.67**	**23.95**	**586.91**	**1358.43**	**9951.90**	**240.10**
As at 31 March 2024	**14310.54**	**1016.50**	**6758.95**	**18.48**	**345.67**	**1270.79**	**9410.39**	**518.51**

Notes:

(a) Ageing details of intangible assets under development (IAUD) is as below*

Particulars	Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	425.49	87.35	5.67	-	518.51
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2024	**425.49**	**87.35**	**5.67**	**-**	**518.51**
Projects in progress	60.43	56.79	122.88	-	240.10
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023	**60.43**	**56.79**	**122.88**	**-**	**240.10**

*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

6 Goodwill and other intangible assets (Contd.)

Particulars	IAUD to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	44.88	-	-	-	44.88
As at 31 March 2024	**44.88**	**-**	**-**	**-**	**44.88**
Others	139.36	-	-	-	139.36
As at 31 March 2023	**139.36**	**-**	**-**	**-**	**139.36**

No projects have been temporarily suspended as at 31 March 2024 and 31 March 2023.

(b) Impairment

See accounting policy in note 3(h).

Impairment testing for cash generating units containing goodwill

The Group has identified its reportable segments Roofing Solutions, Building Solutions, Polymer Solutions and Flooring Solutions as the CGUs. For the purpose of impairment testing, goodwill is allocated to the Group's operating division which represents the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segment.

The goodwill and brand (with indefinite life) acquired through business combination with HIL International GmbH has been allocated to CGU ""Flooring Solutions"" segment of the Group. The carrying amount of goodwill as at 31 March 2024 is INR 13563.29 lacs (31 March 2023: INR 13498.39 lacs) and brand (with indefinite life) as at 31 March 2024 is INR 6758.95 lacs (31 March 2023: INR 6620.53 lacs).

The goodwill acquired through business combination during the previous year by the Holding company has been allocated to CGU ""Cuttack unit"" which is part of the Building Solutions segment of the Company (See note 33 for details). The carrying amount of goodwill as at 31 March 2024 is INR 747.25 lacs (31 March 2023 is INR 747.25 lacs).

Following key assumptions were considered while performing impairment testing:

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Flooring Solutions	Cuttack Unit	Flooring Solutions	Cuttack Unit
Annual growth rate for 5 years (Average)	16.31%	17.62%	10.45%	15.00%
Terminal value growth rate	0.50%	3.00%	0.50%	3.00%
Budgeted EBITDA margins for 5 years (Average)	7.32%	9.00% to 20.00%	8.76%	11.60% to 16.01%
Weighted average cost of capital % (WACC) post tax	13.80%	15.10%	12.72%	14.90%

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) = (We*Re)+(Wd*Rd)

Re = Risk free return + (market premium x beta for the Company)+ additional risk premium.

Rd = Cost of debt *(1-tax rate)

We,Wd = Average debt to capital ratio

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value. Accordingly, no impairment charges were recognised for the year ended 31 March 2024 and 31 March 2023.

(c) The Group has not revalued any intangible assets after initial recognition, during the year ended 31 March 2024 and 31 March 2023.

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for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

7 Investments

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Investment in equity instruments - unquoted at FVOCI (refer note (a) below)		
Birla Buildings Limited - 5000 equity shares of INR 10 each fully paid	33.73	33.66
(31 March 2023 : 5000 equity shares of INR 10 each fully paid)		
VR- Bank Westmünsterland eG - One share of Euro 450 each	0.40	0.40
(31 March 2023 : One share of Euro 450 each)		
Aggregate amount of unquoted non-current investments	**34.13**	**34.06**
Current		
Investments in mutual funds - quoted at FVTPL	10229.38	-
	10229.38	**-**
Aggregate book value of quoted current investments	10229.38	-
Aggregate market value of quoted current investments	10229.38	-

(a) Equity shares designated as at fair value through other comprehensive income

The Group designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Group intends to hold long-term for strategic purposes.

Particulars	Investment in Birla Buildings Limited	
	As at 31 March 2024	As at 31 March 2023
Fair value at beginning of the year	33.66	34.24
Dividend income recognised during the respective year (refer note 24)	0.25	0.38
Fair value at end of the year	33.73	33.66

No strategic investments were disposed off during the year ended 31 March 2024 and 31 March 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

The Group has not traded or invested in Crypto currency or Virtual currency during the year ended 31 March 2024 and 31 March 2023.

Refer note 56(A) and 56 (C) for the Group's exposure to fair value measurement, credit risk and market risk.

8 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Secured	22.80	20.80
Unsecured	693.41	510.04
	716.21	**530.84**
Less: Provision for impairment	(685.00)	(510.04)
	31.21	**20.80**
Current		
Secured	1552.85	1421.61
Unsecured (refer note 40 for receivables from related parties)	14613.51	12548.67
	16166.36	**13970.28**
Less: Provision for impairment	(790.70)	(1136.14)
	15375.66	**12834.14**

Refer note 17 for details of trade receivables pledged against borrowings.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

8 Trade receivables (Contd.)

There are no outstanding trade receivables from directors or other officers of the Company or from firms or private companies in which director is partner or member as at 31 March 2024 and as at 31 March 2023.

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
– considered good	5884.90	9305.34	152.73	16.62	9.91	6.18	15375.68
– credit impaired	42.54	180.74	257.09	167.94	44.77	97.60	790.68
Total undisputed trade receivables (A)	**5927.44**	**9486.08**	**409.82**	**184.56**	**54.68**	**103.78**	**16166.36**
Disputed trade receivables							
– considered good	-	12.71	18.50	-	-	-	31.21
– credit impaired	-	-	22.84	69.52	47.77	544.87	685.00
Total disputed trade receivables (B)	**-**	**12.71**	**41.34**	**69.52**	**47.77**	**544.87**	**716.21**
As at 31 March 2024 (A+B)	**5927.44**	**9498.79**	**451.16**	**254.08**	**102.45**	**648.65**	**16882.57**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
– considered good	5980.55	6484.32	331.96	30.84	3.64	2.83	12834.14
– credit impaired	13.87	168.93	80.38	84.16	430.01	358.79	1136.14
Total undisputed trade receivables (A)	**5994.42**	**6653.25**	**412.34**	**115.00**	**433.65**	**361.62**	**13970.28**
Disputed trade receivables							
– considered good	-	10.01	10.79	-	-	-	20.80
– credit impaired	-	-	8.94	31.16	98.86	371.08	510.04
Total disputed trade receivables (B)	**-**	**10.01**	**19.73**	**31.16**	**98.86**	**371.08**	**530.84**
As at 31 March 2023 (A+B)	**5994.42**	**6663.26**	**432.07**	**146.16**	**532.51**	**732.70**	**14501.12**

There were no unbilled receivables as at 31 March 2024 and as at 31 March 2023.

Refer note 56 (C) for the Company's exposure to credit risk and market risk.

Trade receivables of subsidiary company are factored and the receivables from factored banks are disclosed under other financial assets.

9 Loans

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good	2696.91	2684.00
	2696.91	**2684.00**

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for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

10 Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Security deposits	1429.67	1383.24
Bank deposits due to mature after 12 months from the reporting date *	6.79	6.79
Derivative assets	293.23	793.92
	1729.69	**2183.95**
Doubtful		
Security deposits	25.00	25.00
Other receivables	644.68	644.68
	669.68	**669.68**
Less: Provision for doubtful other financial assets	(669.68)	(669.68)
	-	-
	1729.69	**2183.95**
* It includes bank deposits held against bank guarantees amounting to INR 6.79 lacs (31 March 2023: INR 6.79 lacs).		
Current		
Unsecured, considered good		
Interest accrued on fixed deposits and security deposits	60.26	50.20
Derivative assets	644.90	1292.36
Contract assets	27.04	8.50
Other receivables	2959.71	7376.34
	3691.91	**8727.40**
Doubtful		
Dividend receivable	9.01	9.01
Less: Allowance for doubtful receivables (refer note 40)	(9.01)	(9.01)
	-	-
	3691.91	**8727.40**

11 Other assets

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Capital advances	670.21	259.63
Advances other than capital advances		
Balance with government authorities	1076.86	891.09
Prepayments	59.81	59.50
	1806.88	**1210.22**
Doubtful		
Advances other than capital advances		
Advance to suppliers and service providers	160.72	160.72
	160.72	**160.72**
Less: Allowance for doubtful advances	(160.72)	(160.72)
	-	-
	1806.88	**1210.22**
Current		
Unsecured, considered good		
Advances other than capital advances		
Advance to suppliers and service providers	4576.05	5903.40
Advance to employees	289.26	103.51
Balance with government authorities	1019.16	1233.29
Prepayments	664.93	638.73
Others		
Non-current assets held for sale*	18.72	54.11
	6568.12	**7933.04**

* During the previous year, certain non-factory land, buildings and plant and equipment were classified as non-current assets held for sale based on approval from Board of Directors of the Company. The Company is intending to sell these assets by the end of next financial year and efforts to sell have started. Certain land and buildings classified under non-current assets held for sale have been sold during the year. Profits arising on the sale transactions have been reported under Exceptional items in the statement of profit and loss (refer note 54).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

12 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
(Valued at lower of cost and net realisable value)		
Raw materials	28974.75	29069.25
Work-in-progress	5231.07	5373.41
Finished goods	28132.01	26735.35
Stock-in-trade	896.24	888.89
Stores and spares	1502.42	1487.39
	64736.49	**63554.29**
Inventories in transit		
Raw materials	6284.81	4487.08
Finished goods	390.23	372.19
Stores and spares	8.68	-
	6683.72	**4859.27**
	71420.21	**68413.56**

The write down of inventories to net realisable value during the year amounted to INR 330.49 lacs (31 March 2023: INR 285.87 lacs). The write down are included in changes in inventories of finished goods.

Refer note 17 for details of inventories pledged against borrowings.

13 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	22.77	10.79
Balances with banks		
- on current accounts	13436.25	6186.40
	13459.02	**6197.19**

14 Bank balances other than Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Unpaid dividend accounts	79.69	85.31
Deposits with banks with original maturity of more than 3 months but remaining maturity of less than 12 months*	12.14	1.00
	91.83	**86.31**

*It includes bank deposits held against bank guarantees amounting to INR 12.14 lacs (31 March 2023: NIL).

15 Share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised share capital		
9500000 (31 March 2023: 9500000) equity shares of INR 10 each	950.00	950.00
50000 (31 March 2023: 50000) preference shares of INR 100 each	50.00	50.00
	1000.00	**1000.00**
Issued, subscribed and fully paid-up capital		
7540899 (31 March 2023: 7537563) equity shares of INR 10 each fully paid-up	754.09	753.76
Forfeited shares (amount originally paid-up)	2.72	2.72
	756.81	**756.48**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

15 Share capital (Contd.)

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2024		31 March 2023	
	Number of shares	Amount INR In Lacs	Number of shares	Amount INR In Lacs
Shares outstanding at the beginning of the year	7537563	753.76	7513903	751.39
Shares issued on exercise of Employee Stock Option Scheme (refer note 42)	3336	0.33	23660	2.37
Shares outstanding at the end of the year	7540899	754.09	7537563	753.76

(ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a face value of INR 10 each. Accordingly, all equity shares rank equal with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Particulars of shareholders holding more than 5% of total number of equity shares

Equity shares of INR 10 each, fully paid-up	31 March 2024		31 March 2023	
	Number of shares	% of Holding	Number of shares	% of Holding
Central India Industries Limited	1074634	14.25%	1074634	14.26%
Orient Paper and Industries Limited	906360	12.02%	906360	12.02%

As per records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) Shares reserved for issue under Option

For details of shares reserved for issue under Employee Stock Option Schemes of the Company, refer note 42.

(v) Equity shares of INR 10 each, held by promoters at the end of the year

S. No.	Name of the promoter	31 March 2024			31 March 2023		
		Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1	Mr. Chandra Kant Birla	51376	0.68%	-	51376	0.68%	-
2	Amer Investments (Delhi) Limited	308763	4.09%	-	308763	4.10%	-
3	Hitaishi Investments Limited	67066	0.89%	-	67066	0.89%	-
4	Hyderabad Agencies Private Limited	4100	0.05%	-	4100	0.05%	-
5	Orient Paper and Industries Limited	906360	12.02%	-	906360	12.02%	-
6	Universal Trading Company Limited	4000	0.05%	-	4000	0.05%	-
7	Central India Industries Limited	1074634	14.25%	-	1074634	14.26%	-
8	Gwalior Finance Corporation Limited	96200	1.28%	-	96200	1.28%	-
9	Ranchi Enterprises and Properties Limited	4500	0.06%	-	4500	0.06%	-
10	Ashok Investment Corporation Limited	317743	4.21%	-	317743	4.22%	-
11	Shekhavati Investments and Traders Limited	224470	2.98%	-	224470	2.98%	-
		3059212	**40.56%**	**-**	**3059212**	**40.59%**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

16 Other equity

(A) Reserves and surplus

(i) Securities premium

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the commencement of the year	1593.43	1192.50
Add: Premium received on exercise of employee stock options	56.53	400.93
	1649.96	**1593.43**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the commencement of the year	44100.00	43100.00
Add: Amount transferred from surplus balance in the consolidated statement of profit and loss	-	1000.00
	44100.00	**44100.00**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(iii) Capital redemption reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the commencement of the year	35.00	35.00
Add: Additions during the year	-	-
	35.00	**35.00**

Capital redemption reserve was created for redemption of preference shares and the balance represents the unutilised amount after complete redemption of the same.

(iv) Share options outstanding account

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the commencement of the year	13.58	230.95
Less: Transferred to securities premium on exercise of stock options	(15.70)	(111.29)
Add: Share based payment expenses (refer note 28)	348.04	(106.08)
	345.92	**13.58**

The Company has formulated equity-settled share-based payment plans for certain categories of employees of the Company. Refer note 42 for further details on these plans.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

16 Other equity (Contd.)

(A) Reserves and surplus (Contd.)

(v) Retained earnings

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the commencement of the year	74256.71	70096.57
Add: Profit for the year	3478.54	9710.34
Items of other comprehensive income directly recognised in retained earnings		
- Remeasurement of defined benefit (asset) / liability, net of tax	(112.17)	338.13
Amount available for appropriations	**77623.08**	**80145.04**
Less : Appropriations		
Interim dividend on equity shares (amount per share INR 15.00 (31 March 2023: INR 20.00))	(1131.13)	(1507.07)
Transferred to general reserve	-	(1000.00)
Final dividend on equity shares (amount per share INR 25.00 (31 March 2023: INR 45.00))	(1884.39)	(3381.26)
Total appropriations	**(3015.52)**	**(5888.33)**
Total retained earnings	**74607.56**	**74256.71**
Total reserves and surplus (A)	**120738.44**	**119998.72**

(B) Other comprehensive income ("OCI")

Particulars	As at 31 March 2024	As at 31 March 2023
Equity investments through OCI		
Balance at the commencement of the year	24.83	25.29
Changes in fair value	0.05	(0.46)
	24.88	**24.83**
Exchange differences on translation of foreign operations		
Balance at the commencement of the year	3585.40	1208.47
Add: Movement during the year	178.36	2376.93
	3763.76	**3585.40**
Total other comprehensive income (B)	**3788.64**	**3610.23**
Total (A+B)	**124527.08**	**123608.95**

Dividends

After the reporting dates, the following dividends on equity shares were proposed by the Board of Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as liabilities.

Particulars	As at 31 March 2024	As at 31 March 2023
Dividend on equity shares (amount per equity share INR 22.50 (31 March 2023: INR 25.00))	1696.70	1884.39

Dividends paid during the year ended 31 March 2024 include an amount of INR 25.00 per equity share towards final dividend for the year ended 31 March 2023 and an amount of INR 15.00 per equity share towards interim dividends for the year ended 31 March 2024. Dividends paid during the year ended 31 March 2023 include an amount of INR 45.00 per equity share towards final dividend (including an additional final dividend of INR 20.00 per share to commemorate the celebration of Platinum Jubilee on completion of 75 years of incorporation) for the year ended 31 March 2022 and an amount of INR 20.00 per equity share towards interim dividends for the year ended 31 March 2023.

The Board of Directors of the Company have recommended a final dividend of INR 22.50 per share (225%) on 07 May 2024 for the financial year ended 31 March 2024. This, together with an interim dividend of INR 15.00 per share (150%) declared during the year, the total dividend for the financial year ended 31 March 2024 works out to INR 37.50 per share (375%) on equity shares of INR 10 each.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

17 Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current borrowings		
Secured		
Term loan from banks (refer note (a), (e), (i) and (k) below)	31966.17	19190.68
Term loan from others		
- Interest free sales tax loan from a financial institution (refer note (b) below)	-	1187.80
	31966.17	**20378.48**
Current borrowings		
Secured		
From bank		
- Working capital loan (refer note (k) below)*	899.54	5994.27
- Interest accrued but not due on long term borrowings (refer note (m) below)	-	71.65
- Current maturities of long-term debt (refer note (a), (e), (i) and (k) below)*	2610.51	3775.08
Term loan from others		
- Current maturities of interest free sales tax loan from a financial institution (refer note (b) below)	1291.27	-
	4801.32	**9841.00**
Unsecured		
Loans repayable on demand		
From banks		
- Working capital loan (refer note (d) below)*	18014.69	10520.54
Deferred payment liabilities		
- Current maturities of deferred sales tax loan (refer note (c) below)	-	4.98
	18014.69	**10525.52**
	22816.01	**20366.52**
Total Borrowings	**54782.18**	**40745.00**

* Includes an amount of INR 15.26 lacs and INR 12.57 lacs for year ended 31 March 2024 (31 March 2023: INR 20.54 lacs and INR NIL), towards the interest accrued but not due on working capital loans and term loans, respectively.

(a) (i) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 220.00 lacs by HIL International GmbH, Germany is repayable in 14 instalments of which 13 equal semi-annual instalments of Euro 15.00 lacs starting from 31 December 2018. Due to special repayments in FY 2021 of Euro 18.75 lacs the last instalment of Euro 6.25 lacs is falling due on 30 June 2025. The loan carried an interest rate 1.80% + 3 Month EURIBOR p.a until 31 December 2022 and 3.6% + 3 Month EURIBOR until 31 March 2023. The loan is secured by way of (a) first priority security over the issued share capital of Parador Holding GmbH subject to the Agreed Security Principles (b) mortgages over the Parador GmbH's real estate in Coesfeld, Germany of minimum Euro 100.00 lacs and Euro 70.00 lacs (c) pledge over all fixed assets of Parador GmbH (d) pledge over all current assets of Parador GmbH (excl. receivables which will be sold to Factoring but including pledge over the excess receivables of Factoring). These loans were completely repaid during the year and the balance as on 31 March 2024 is NIL.

(ii) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 100.00 lacs by Parador GmbH, Germany is repayable on termination date on 30 June 2025. The loan carried an interest rate 1.80% + 3 Month EURIBOR p.a until 31 December 2022 and 3.6% + 3 Month EURIBOR until 31 March 2023. The loan is secured by way of (a) first priority security over the issued share capital of Parador Holding GmbH subject to the Agreed Security Principles (b) mortgages over the Parador GmbH's real estate in Coesfeld, Germany of minimum Euro 100.00 lacs and Euro 70.00 lacs (c) pledge over all fixed assets of Parador GmbH (d) pledge over all current assets of Parador GmbH (excluding receivables which will be sold to Factoring but including pledge over the excess receivables of Factoring). These loans were completely repaid during the year and the balance as on 31 March 2024 is NIL.

(iii) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 11.55 lacs by Parkettwerke GmbH, Austria is repayable in 14 equal semi-annual instalments of Euro 0.83 lacs starting from 31 March 2019. The last installment is falling due on 30 September 2025. The loan carried an interest rate of 1.75%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

17 Borrowings (Contd.)

p.a. during the year. The loan is secured by way of guarantee of particular fixed assets for which loan was taken. These loans were completely repaid during the year, balance as on 31 March 2024 is NIL.

(iv) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 10.00 lacs by Parkettwerke GmbH, Austria is repayable in 16 equal semi-annual instalments of Euro 0.63 lacs starting from 31 December 2016. The last installment is falling due on 30 June 2024. The loan carried an interest rate of 1.85% p.a. during the year. The loan is secured by way of guarantee of Parador GmbH, Germany. These loans were completely repaid during the year, balance as on 31 March 2024 is NIL.

(v) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 50.00 lacs by HIL International GmbH, Germany is repayable in 10 instalments of Euro 5.00 lacs starting from 30 June 2020. Due to special repayments in FY 2021 of Euro 6.25 lacs the last installment of Euro 3.75 lacs is falling due on 30 June 2024. The loan carried an interest rate 1.80% p.a. during the year. The loan is secured by way of (a) first priority security over the issued share capital of Parador Holding GmbH subject to the Agreed Security Principles (b) mortgages over the Parador GmbH's real estate in Coesfeld, Germany of minimum Euro 100.00 lacs and Euro 70.00 lacs (c) pledge over all fixed assets of Parador GmbH (d) pledge over all current assets of Parador GmbH (excluding receivables which will be sold to Factoring but including pledge over the excess receivables of Factoring). These loans were completely repaid during the year, balance as on 31 March 2024 is NIL.

(vi) As at 31 March 2024, the following loan amounts were covered by an interest rate cap. The cap covers interest rates which exceed 1% of the 3-Month EURIBOR.

- loan amount of Euro 18.77 lacs of HIL International GmbH, Germany;
- loan amount of Euro 49.23 lacs of Parador GmbH, Germany
- loan amount of Euro 205.62 lacs of Parador GmbH, Germany

(b) Represents interest free sales tax loan taken from a financial institution, which is repayable after 7 years from the date of its respective disbursement. The last instalment is falling due in August 2024. As per the agreement, these loans are secured by way of first charge on its entire assets of Sathariya unit, first charge on plant and equipment of its Balasore unit and collateral security of Corporate office building of the Company located at Gachibowli, Hyderabad.

(c) Deferred sales tax loan was sanctioned towards the sales tax dues relating to Thimmapur unit. The loan was interest free and was completely repaid during the year.

(d) During the year ended 31 March 2024, the Company availed working capital loans from five banks (INR 9450.00 lacs from Hongkong and Shanghai Banking Corporation Limited, INR 16150.00 lacs from Kotak Mahindra Bank Limited, INR 13000.00 lacs from The Federal Bank Limited, INR 12000.00 lacs from HDFC Bank Limited and INR 3450.00 lacs from ICICI Bank Limited), out of which an amount of INR 4950.00 lacs from Hongkong and Shanghai Banking Corporation Limited, INR 600.00 lacs from Kotak Mahindra Bank Limited, INR 5000.00 lacs from The Federal Bank Limited, INR 4000.00 lacs from HDFC Bank Limited and INR 3450.00 lacs from ICICI Bank Limited are outstanding as at 31 March 2024 . The loans are repayable on demand and carry an interest rate as linked to T-Bill Rate + spread and Repo Rate + spread which has been in the range of 7.16% p.a. to 8.65% p.a during the year (31 March 2023: 5.75% p.a. to 7.95% p.a).

(e) During the year ended 31 March 2024, the Company has availed the following loans:

1. A term loan of INR 4000.00 lacs from Kotak Mahindra Bank secured by way of first and exclusive charge on identified movable and immovable fixed assets of the Company. The outstanding amount of INR 4000.00 lacs is repayable with one year moratorium in 16 quarterly instalments of INR 250.00 lacs each from June 2025 to March 2029. The said loan carried an interest rate of 8.50% p.a. during the year.

2. A term loan of INR 8000.00 lacs from The Federal Bank Limited secured by way of first and exclusive charge on identified fixed assets. The outstanding amount of INR 8000.00 lacs is repayable in 20 quarterly instalments of INR 200.00 lacs each from June 2024 to March 2025 and INR 450.00 lacs each from June 2025 to March 2029. The said loan carried an interest rate of 8.40% p.a. during the year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

17 Borrowings (Contd.)

(f) A revolving loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG, amounting to Euro 40.00 lacs by Parkettwerke GmbH, Austria to facilitate exports and processes export guarantees. The loan increased to Euro 67.00 lacs by 13 May 2022. The Loan carried an interest rate of 1.55% p.a. during the year. The loan is secured by way of guarantee of Parador GmbH and a mortgage over Parkettwerke GmbH's real estate in Güssing, Austria of minimum Euro 25.00 lacs. The loan was completely repaid during the year 31 March 2024.

(g) There were no delays / defaults in repayment of dues or delays in payment of interest to banks and financial institutions.

(h) In respect of the following charges, the Company is in the process of collecting no due certificate from the respective parties and the same is expected to get closed in the next financial year. The charges on these loans are open with Registrar of Companies (ROC) Hyderabad:

1. Indian Oil Corporation Limited amounting to INR 4 lacs.

(i) A term loan taken from Sparkasse Essen amounting to Euro 100.00 lacs by Parador GmbH is repayable on 30 September 2027 in total. For the first EURO 90.00 lacs the loan carried an interest rate of 5.31% during the year, for the last EURO 10.00 lacs the loan carried an interest rate of 2% + 6-Month EURIBOR. The Loan is secured by (a) finished goods in the same amount as of the Loan amount and (b) a security deposit of EURO 80.00. This loan was completely repaid during the year and balance as on 31 March 2024 is NIL.

(j) An amount of INR 7000.00 lacs was sanctioned in favour of the Company by State Bank of India Limited (SBI) against security of current assets of the Company. In December 2023, the Company has closed all the facilities with SBI.

(k) (i) A term loan "Facility A" starting from 29 September 2023, was taken from ICICI Bank amounting to Euro 110.00 lacs by HIL International GmbH, Germany is repayable in 8 semi-annual instalments starting from 31 March 2025. The first two instalments amount to Euro 10.00 lacs and the other 6 instalments amount to EUR 15.00 lacs. The loan carried an interest rate 1.85% + 3 Month EURIBOR p.a. The loan is secured by a unconditional and irrevocable corporate guarantee from the Holding company, HIL Ltd to the extent of 105% of the facility Amount.

(ii) A term loan "Facility B" starting from 29 September 2023 taken from ICICI Bank amounting to Euro 141.00 lacs by HIL International GmbH, Germany is repayable in 8 semi-annual instalments starting from 31 March 2025. The first two instalments amount Euro 10.00 lacs the next 5 instalments amount to EUR 20.00 lacs and the last instalment amounts EUR 21.00 lacs. The loan carried an interest rate 1.85% + 3 Month EURIBOR p.a. The loan is secured by a unconditional and irrevocable corporate guarantee from HIL Limited to the extent of 105% of the facility Amount.

(iii) A term loan "Facility C" starting from 29 September 2023 taken from ICICI Bank amounting to Euro 70.00 lacs by HIL International GmbH, Germany is repayable or available for rollover at the end of its interest period. The loan carried an interest rate 1.85% + 3 Month EURIBOR p.a. The loan is secured by a unconditional and irrevocable corporate guarantee from HIL Limited to the extent of 105% of the facility Amount.

(l) Quarterly returns or statements of current assets are filed by the Company to the bank are in agreement with the books of account.

(m) The covenants as on 31 March 2023 attached to the loans taken from Raiffeisenlandesbank Niederoesterreich-Wien AG have been suspended vide an amendment agreement. Further, the interest rates were revised and agreed as below for the interest period starting on or after:

- 01 January 2023, EURIBOR + 2.60% p.a. + 1% p.a. is applicable; and
- 01 April 2023, EURIBOR + 3.80% p.a. is applicable

Refer note 56 (C) for the Company's exposure to interest rate and liquidity risks.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

18 Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Lease liabilities (refer note 50)	20301.50	1283.48
	20301.50	**1283.48**
Current		
Lease liabilities (refer note 50)	2516.80	1165.85
	2516.80	**1165.85**

19 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 41)	2068.83	2203.00
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 40 for payables to related parties)	37174.38	31654.77
	39243.21	**33857.77**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1458.02	610.81	-	-	-	2068.83
(ii) Others	8965.32	22536.67	5289.55	92.65	74.81	145.60	37104.60
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	69.78	69.78
As at 31 March 2024	**8965.32**	**23994.69**	**5900.36**	**92.65**	**74.81**	**215.38**	**39243.21**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1141.39	1061.61	-	-	-	2203.00
(ii) Others	7945.51	17626.97	5713.17	95.48	95.82	106.99	31583.94
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	70.83	70.83
As at 31 March 2023	**7945.51**	**18768.36**	**6774.78**	**95.48**	**95.82**	**177.82**	**33857.77**

Refer note 56 (C) for the Company's exposure to interest rate and liquidity risks.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

20 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Liabilities on business acquisition (refer note 33)	21.68	19.27
	21.68	**19.27**
Current		
Capital creditors (refer note 41)	1161.61	1149.78
Unpaid dividend*	79.69	85.31
Sundry deposits	4502.94	4527.22
Derivative liabilities	-	7.27
Contract liability against performance obligation	1571.12	1295.53
Contract liability against payment	3282.97	2963.82
Liabilities on business acquisition (refer note 33)	33.06	46.81
Other financial liabilities- discounts, commissions and other receivables	4461.51	4046.02
	15092.90	**14121.76**

* Amount lying in unpaid / unclaimed dividend account shall be credited to Investor Education and Protection Fund as per the timelines prescribed under the Companies Act, 2013 with due approvals.

21 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Provision for employee benefits		
- Gratuity (refer note 36)	415.14	316.12
- Pension and other post-retirement benefits (refer note 36)	2217.31	1943.93
- Other long-term employee benefit plans	359.87	340.57
- Compensated absences	783.55	676.88
	3775.87	**3277.50**
Current		
Provision for employee benefits		
- Pension (refer note 36)	230.60	172.88
- Compensated absences	961.84	851.54
- Other long-term employee benefit plans	368.71	175.85
- Employee related other costs (refer note 51)	13.32	657.58
Other provisions		
- Provision for litigations (refer note 51)	253.92	307.25
- Provision for warranties (refer note 51)	489.39	984.13
- Provision - others (refer note 51)	390.00	390.00
	2707.78	**3539.23**

22 Other liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Government grant*	-	28.18
	-	**28.18**
Current		
Statutory liabilities	1501.68	1909.18
Government grant*	28.18	84.55
Advance for sale of non-current asset held for sale	830.00	-
Other liabilities - statutory obligations	1261.44	1703.72
	3621.30	**3697.45**

*Government grant is recognised on fair valuation of Interest free sales tax loan.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

23 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers		
- Sale of products		
Finished goods	313157.31	330670.92
Traded goods	22354.07	15521.33
- Sale of services		
Service concession arrangements (refer note 43)	220.62	225.48
Other operating revenues		
Scrap sales	1324.99	1382.36
Liabilities no longer required, written back	439.62	95.80
	337496.61	**347895.89**

Disaggregation of revenues

Particulars	Reportable segments for the year ended 31 March 2024				
	Roofing Solutions	Building Solutions	Polymer Solutions	Flooring Solutions	Others
By sources of revenue					
Revenue from contracts with customers	114189.02	54081.01	53363.93	113798.63	299.41
Other operating revenues	517.42	440.83	174.29	617.43	14.64
	114706.44	**54521.84**	**53538.22**	**114416.06**	**314.05**
By geographical markets					
- India	114026.81	54008.56	53523.75	4.72	299.83
- Others	679.63	513.28	14.47	114411.34	14.22
	114706.44	**54521.84**	**53538.22**	**114416.06**	**314.05**
By major product lines					
- Cement based products: sheets, panels, boards	114706.44	21959.99	-	-	-
- Pipes and Fittings	-	-	34252.35	-	-
- Putty and dry mix	-	524.53	14707.08	-	-
- Fly ash blocks	-	32037.32	-	-	-
- Wooden Flooring	-	-	-	114416.06	-
- Others	-	-	4578.79	-	314.05
	114706.44	**54521.84**	**53538.22**	**114416.06**	**314.05**
Timing of revenue recognition					
Products transferred at a point in time	114706.44	54521.84	53538.22	114416.06	314.05
Products and services transferred over time	-	-	-	-	-
	114706.44	**54521.84**	**53538.22**	**114416.06**	**314.05**

Particulars	Reportable segments for the year ended 31 March 2023				
	Roofing Solutions	Building Solutions	Polymer Solutions	Flooring Solutions	Others
By sources of revenue					
Revenue from contracts with customers	111209.07	50755.95	52517.18	132402.03	344.48
Other operating revenues	337.09	229.95	99.92	0.00	0.22
	111546.16	**50985.90**	**52617.10**	**132402.03**	**344.70**
By geographical markets					
- India	110759.54	50253.97	52492.39	26.62	344.70
- Others	786.62	731.93	124.71	132375.41	-
	111546.16	**50985.90**	**52617.10**	**132402.03**	**344.70**

22 Other liabilities

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

23 Revenue from operations (Contd.)

Disaggregation of revenues (Contd.)

Particulars	Reportable segments for the year ended 31 March 2023				
	Roofing Solutions	Building Solutions	Polymer Solutions	Flooring Solutions	Others
By major product lines					
- Cement based products: sheets, panels, boards	111546.16	20209.86	-	-	-
- Pipes and Fittings	-	-	34945.44	-	-
- Putty and dry mix	-	567.50	17671.66	-	-
- Fly ash blocks	-	30184.96	-	-	-
- Wooden Flooring	-	-	-	132402.03	-
- Others	-	23.58	-	-	344.70
	111546.16	**50985.90**	**52617.10**	**132402.03**	**344.70**
Timing of revenue recognition					
Products transferred at a point in time	111546.16	50985.90	52617.10	132402.03	344.70
Products and services transferred over time	-	-	-	-	-
	111546.16	**50985.90**	**52617.10**	**132402.03**	**344.70**

Reconciliation of revenue recognised with contract prices

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contracted price	354965.27	366128.41
Less: Contract liability against performance obligation	1571.12	1295.53
Less: Discounts	17662.15	18415.15
	335732.00	**346417.73**

Contract balances

The following table provides information about the receivables, contract assets and contract liabilities from contracts with customers:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Trade receivables	16882.57	14501.12
Contract assets	27.04	8.50
Contract liabilities	4854.09	4259.35

- Trade receivables are the amounts receivable by the Group from the Revenues from Contracts with customers and other operating revenues.
- The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date.
- The contract liabilities primarily relate to the advance consideration received from customers and contract liabilities arising from loyalty programmes of the Company. The amount of INR 4259.35 lacs included in contract liabilities at 31 March 2023 have been recognised as revenue during the year ended 31 March 2024 (31 March 2023: INR 6809.23 lacs).

No information provided about remaining performance obligations as at 31 March 2024 and 31 March 2023 that have an original expected duration of one year or less, as allowed by Ind AS 115.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

24 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Dividend income on equity securities - at FVOCI- investment held at reporting date (refer note 7)	0.25	0.38
Dividend income on current investments - at FVTPL	0.02	0.02
Gain on sale of current investments, net	34.20	79.56
Interest income under the effective interest method on financial assets at amortised cost	165.98	89.53
Interest on income-tax refund (refer note 34)	-	504.70
Rental income		
From investment property (refer note 5)	559.98	497.63
From others	13.68	14.20
Net gain on foreign currency transactions	1679.67	570.00
Fair value gain on financial assets measured at fair value through profit and loss, net	29.89	356.33
Government grant	84.55	84.55
Miscellaneous income	415.17	337.38
	2983.39	**2534.28**

25 Cost of materials consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory of materials at the beginning of the year	33556.33	36781.62
Add: Acquisitions through business combination (refer note 33)	-	34.18
Add: Purchases during the year	178280.33	190736.96
Less: Inventory of materials at the end of the year	35259.56	33556.33
Adjustment for fluctuation in exchange rates	73.98	909.08
	176636.10	**194905.51**

26 Purchases of stock-in-trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of stock-in-trade	16069.01	9743.28

27 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the beginning of the year		
Finished goods	27107.54	27970.79
Stock-in-trade	888.89	756.18
Work-in-progress	5373.41	4776.36
	33369.84	**33503.33**
Inventories at the end of the year		
Finished goods	28522.24	27107.54
Stock-in-trade	896.24	888.89
Work-in-progress	5231.07	5373.41
	34649.55	**33369.84**
Changes in inventories	(1279.71)	133.49
Add: Stocks of finished goods out of trial run production	-	6.15
Add: Inventories acquired through business combinations (refer note 33)	-	12.10
Adjustment for fluctuation in exchange rates	76.01	928.53
	(1203.70)	**1080.27**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

28 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	38598.65	34182.72
Contribution to provident and other funds (refer note 36)	5989.03	5595.73
Employee share based payment expense - equity settled (refer note 42)	348.04	(106.08)
Gratuity, pension and other post-retirement benefits expenses (refer note 36)	424.35	357.77
Staff welfare expenses	1376.87	1103.76
	46736.94	**41133.90**

29 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expenses on long-term loans measured at amortised cost	1550.34	700.22
Interest expenses on working capital loans measured at amortised cost	817.90	424.83
Interest expenses on other financial liabilities measured at amortised cost	108.18	98.46
Interest expenses on lease liabilities	93.18	101.62
Interest expenses on income-tax	2.26	9.58
Interest expenses on security deposits and others	963.58	622.03
	3535.44	**1956.74**

30 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment (refer note 4)	9698.71	8831.01
Amortisation of intangible assets (refer note 6)	966.68	902.45
Depreciation on investment property (refer note 5)	30.37	30.37
Depreciation on right of use assets (refer note 4)	1305.64	1313.51
	12001.40	**11077.34**

31 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	4794.18	4881.76
Power and fuel	12621.89	12397.18
Contract wages	7068.52	7054.67
Repairs and maintenance		
Plant and equipment (excluding stores and spares consumption)	3742.83	3579.95
Buildings	972.43	418.57
Others	2411.27	2254.35
Carriage outwards	28433.04	27353.96
Packing expenses	1144.59	1074.84
Rent (refer note 50)	1955.77	1202.33
Rates and taxes	410.87	467.92
Insurance	891.05	776.15
Professional, consultancy and legal expenses	5189.53	3573.79
Advertisement and sales promotion	6488.89	5338.62
Travelling and conveyance	3450.82	3015.34
Commission on sales	792.05	775.10
Directors' commission	105.00	120.00

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

31 Other expenses (Contd.)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Directors' fee	72.00	58.00
Donations*	404.09	103.72
Royalty	669.89	653.47
Net loss on sale of property, plant and equipment	162.26	183.12
Provision for impairment of receivables, advances and other assets, net	(172.51)	167.07
Bad debts written off	636.02	22.04
Fair value loss on financial assets measured at fair value through profit and loss	1211.90	-
Expenditure on corporate social responsibility (refer note 32)	388.41	343.03
Miscellaneous	2968.61	2926.16
	86813.40	**78741.14**

*Donations include INR 300.25 lacs contribution made to Electoral Trust (31 March 2023: NIL).

32 Details of corporate social responsibility expenditure

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Gross amount required to be spent by the Company during the year	388.41	342.64
b) Amount approved by the board to be spent during the year:	388.41	342.64
c) Amount spent during the year (in cash) :		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	406.50	343.03
iii) Nature of CSR activities		
Eradicating hunger, poverty and malnutrition		
Promoting education		
Promoting gender equality		
Environmental initiatives		
Protection of national heritage, art and culture		
Rural Development		
Community Development		
d) Related party transactions	-	-
e) Shortfall /(excess) at the end of the year	(18.09)	-
f) Movements in provision of liability created	-	-

Note:

In view of the ongoing CSR commitments of the Company towards promoting education, eradicating hunger, poverty and malnutrition, and community development, vis a vis, the statutory CSR obligations of the Company calculated as per the provisions of Sections 135 of Companies Act, 2013, it is likely that the amount available for setoff would be utilised by the Company in the succeeding financial year.

33 Business Acquisition

See accounting policy in note 3(v).

On 29 July 2022, the Board of Directors of the Company have approved the acquisition of AAC blocks business of Fastbuild Blocks Private Limited at a purchase consideration of INR 3702.61 lacs, through a slump sale on a going concern basis. The acquisition was completed on 17 August 2022 with compliance to the conditions specified in the agreement by the respective parties. The fair value of assets and liabilities acquired have been determined in accordance with Ind AS 103 "Business Combinations". Consequent to the acquisition, the said business has been reported under the Building Solutions segment of the Company.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

33 Business Acquisition (Contd.)

A. Consideration

Particulars	INR in lacs
i. Cash paid	3628.50
ii. Hold back amount and other indemnity amounts	74.11
iii. Total Consideration as per BTA (i+ii)	**3702.61**
iv. Present Value of hold back amounts and other indemnity amounts	62.97
v. Present Value of total consideration (i+iv)	**3691.47**

B. Acquisition-related costs

The Company incurred acquisition-related costs of INR 133.78 lacs on legal fees, due diligence costs and other professional fees during the year ended 31 March 2023. These costs have been included in "legal and professional fees" under "other expenses" (refer note 31).

C. Identifiable assets acquired and liabilities assumed

The following table summarises the assets acquired and liabilities assumed at the date of acquisition.

Particulars	Note	INR in lacs
Assets		
Property, plant and equipment	4	2673.22
Other intangible assets	6	185.11
Inventories	12	84.54
Trade receivables	8	270.88
Other financial assets	10	24.34
Other assets	11	34.18
		3272.27
Liabilities		
Trade payables	19	(80.60)
Provisions	21	(21.73)
Other financial liabilities	20	(8.44)
Deferred tax liability	34E	(217.28)
Total net identifiable assets acquired		**2944.22**

(i) Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Property, plant and equipment	*Market comparison technique and cost technique:* The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangibles	*Relief-from-royalty method and with-without method:* Brand value is arrived using relief-from-royalty method by considering a five year projection of discounted estimates of net revenues, adjusted with the present value of tax amortization benefits on possible future amortizations of the brand. For valuing non-compete agreement, with-without method has been used. A five year impact on revenues and cash-flows with and with out a non-compete agreement is estimated. The fair value so arrived is adjusted with the present value of future tax amortization benefits.
Inventories	*Market comparison technique:* The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

33 Business Acquisition (Contd.)

C. Identifiable assets acquired and liabilities assumed (Contd.)

(ii) Acquired Receivables:

Fair value of the acquired trade receivables at the date of acquisition is INR 270.88 lacs. The trade receivables comprise gross contractual amounts due of INR 270.88 lacs, of which INR NIL was expected to be uncollectable at the date of acquisition.

D. Goodwill

Goodwill arising from the acquisition has been determined as follows:

Particulars	Note	INR in lacs
Total consideration as per BTA		3702.61
Present value consideration as per BTA	(A)	3691.47
Fair value of net identifiable assets	(C)	2944.22
Goodwill	(A-C)	**747.25**

The goodwill is attributable mainly to the synergies, expected to be achieved from integrating the acquired assets into the Company's existing Building Solutions segment business. None of the goodwill recognised is expected to be deductible for tax purposes.

For the period 17 August 2022 to 31 March 2023, acquired business contributed revenue of INR 1527.39 lacs and a loss before tax of INR 344.07 lacs to the Company's results. If the acquisition had occurred on 01 April 2022, management estimates that revenue of the Company would have been INR 348819.45 lacs and Profit before tax of the Company for the year would have been INR 11494.28 lacs. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 01 April 2022.

34 Income-tax

(A) Amount recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	3533.12	3235.66
Income-tax for earlier years	(122.80)	(906.61)
Deferred tax attributable to temporary differences	(3334.51)	(366.59)
Tax expenses	**75.81**	**1962.46**

Current tax for the year ended 31 March 2023 includes reversal of income-tax expense of earlier years amounting to INR 837.07 lacs on account of receipt of assessment orders from Income Tax Appellate Tribunal. The Holding company has also received interest on income-tax refund amounting to INR 504.70 lacs against the refund received during the year ended 31 March 2023.

(B) Amount recognised in other comprehensive income ("OCI")

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Deferred tax related to items recognised in OCI		
Deferred tax income / (expense) on remeasurements of defined benefit plans	41.01	(130.38)
Deferred tax (expense) / income on fair value gain on investments in equity instruments through OCI	(0.02)	0.12
Deferred tax income / (expense) recognised in OCI	**40.99**	**(130.26)**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

34 Income-tax (Contd.)

(C) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	3612.70	11791.99
Enacted tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	909.24	2967.81
Tax effect of:		
Differences in tax rates in foreign jurisdictions	(496.22)	(186.85)
Non-deductible tax expenses	391.31	123.01
Rate difference	(44.93)	0.20
Recognition of tax allowances	(567.14)	(35.10)
Change in estimate relating to earlier year	-	-
Others	6.35	-
	198.61	**2869.07**
Adjustments in respect of income-tax for earlier years	(122.80)	(906.61)
Income-tax recognised in the consolidated statement of profit and loss	**75.81**	**1962.46**

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

Particulars	31 March 2024	31 March 2023
Deferred tax liabilities		
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	12233.66	12447.49
Fair value gain on derivatives	5.41	217.43
Right of use assets	7619.20	881.67
Others	165.82	250.86
Total deferred tax liabilities (A)	**20024.09**	**13797.45**
Deferred tax assets		
Allowable for tax purposes on payment basis	1770.83	1609.41
Provision for doubtful trade receivables	592.58	536.72
Voluntary early retirement scheme	2.83	0.72
Carry forward losses	679.95	679.95
Lease Liability	7149.10	696.79
Others	3045.26	129.06
Total deferred tax assets (B)	**13240.55**	**3652.65**
Net deferred tax liability (A-B)	**6783.54**	**10144.80**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

34 Income-tax (Contd.)

(E) Movement in temporary differences:

Particulars	Balance as at 01 April 2022	Recognised in profit or loss during 2022-23	Recognised in OCI during 2022-23	Recognised in share of profit of equity accounted investees	Acquired on business combination (refer note 33)	Foreign currency translation impact	Balance as at 31 March 2023	Recognised in profit or loss during 2023-24	Recognised in OCI during 2023-24	Recognised in share of profit of equity accounted investees	Foreign currency translation impact	Balance as at 31 March 2024
Deferred tax liabilities												
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	12407.00	(598.04)	-	-	217.28	421.25	12447.49	(247.80)	-	-	33.97	12233.66
Fair valuation gain in derivatives	181.72	33.40	-	-	-	2.31	217.43	(212.15)	-	-	0.13	5.41
Right of use assets	670.84	181.80	-	-	-	29.03	881.67	6726.73	-	-	10.80	7619.20
Others	345.62	(108.05)	(0.12)	-	-	13.41	250.86	(86.12)	0.02	-	1.06	165.82
Total deferred tax liabilities (A)	**13605.18**	**(490.89)**	**(0.12)**	**-**	**217.28**	**466.00**	**13797.45**	**6180.66**	**0.02**	**-**	**45.96**	**20024.09**
Deferred tax assets												
Allowable for tax purposes on payment basis	2259.57	(560.04)	-	-	-	(90.12)	1609.41	87.71	36.37	-	37.34	1770.83
Provision for doubtful trade receivables	495.58	41.14	-	-	-	-	536.72	55.86	-	-	0.00	592.58
Voluntary early retirement scheme	4.21	(3.51)	-	-	-	0.02	0.72	2.10	-	-	0.01	2.83
Leases	542.61	(66.16)	-	-	-	220.34	696.79	6441.83	-	-	10.48	7149.10
Others	504.63	(158.46)	(130.38)	(13.25)	-	(73.48)	129.06	2921.19	4.64	6.48	(16.11)	3045.26
Carry forward losses	-	635.98	-	-	-	43.97	679.95	-	-	-	0.00	679.95
Total deferred tax assets (B)	**3806.60**	**(111.05)**	**(130.38)**	**(13.25)**	**-**	**100.73**	**3652.65**	**9508.69**	**41.01**	**6.48**	**31.72**	**13240.55**
Net deferred tax (asset) / liability (A-B)	**9798.58**	**(379.84)**	**130.26**	**13.25**	**217.28**	**365.27**	**10144.80**	**(3328.03)**	**(40.99)**	**(6.48)**	**14.24**	**6783.54**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

35 Operating segments

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has four reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's CEO reviews internal management reports on regular basis.

The following summary describes the operations in each of the Group's reportable segments:

Reportable segments	Operations
Roofing Solutions	Manufacturing and distributing Fibre Cement Sheets, Non-asbestos Cement Sheets, Block joining mortars
Building Solutions	Manufacturing and distributing Fly Ash Blocks, Boards, Aerocon Panels and Dry-mix
Polymer Solutions	Manufacturing and distributing Pipes & Fittings, Wall Putty and Construction Chemicals
Flooring Solutions	Manufacturing and distributing Laminate, Engineered and Resilient Flooring, Skirtings and Wall Panel products
Others	Wind Power, Material Handling and Processing Plant and Equipments

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Particulars	31 March 2024	31 March 2023
1 Segment revenue		
(Revenue / Income from segments)		
(a) Roofing solutions (refer note E below)	114706.44	109530.39
(b) Building solutions	54521.84	50985.90
(c) Polymer solutions (refer note E below)	53538.22	54632.87
(d) Flooring solutions	114416.06	132402.03
(e) Others	665.31	675.14
Total	**337847.87**	**348226.33**
Less: Inter segment revenue	351.26	330.44
Revenue / Income from operations	**337496.61**	**347895.89**
2 Segment results		
Profit before tax from segments		
(a) Roofing solutions (refer note E below)	13594.06	16925.28
(b) Building solutions	2685.08	4598.16
(c) Polymer solutions (refer note E below)	1425.18	(437.24)
(d) Flooring solutions	(8813.16)	(4017.79)
(e) Others	461.20	598.11
Total	**9352.36**	**17666.52**
Less:		
i) Interest	791.24	386.80
ii) Other un-allocable expenditure net-off un-allocable income	5006.75	5606.92
Total profit before tax	**3554.37**	**11672.80**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

35 Operating segments (Contd.)

B. Information about reportable segments (Contd.)

Particulars	31 March 2024	31 March 2023
3 Segment assets		
(a) Roofing solutions (refer note E below)	53505.79	48794.13
(b) Building solutions	44253.13	39901.44
(c) Polymer solutions (refer note E below)	27436.80	28646.36
(d) Flooring solutions	120738.94	105896.71
(e) Others	2869.90	3178.98
(f) Unallocated	25518.93	10020.94
Total assets	**274323.49**	**236438.56**
4 Segment liabilities		
(a) Roofing solutions (refer note E below)	18249.68	19224.32
(b) Building solutions	9459.95	10152.42
(c) Polymer Solutions (refer note E below)	8790.43	8190.08
(d) Flooring Solutions	72919.38	55904.20
(e) Others	143.21	268.98
(f) Unallocated	39476.95	18333.13
Total liabilities	**149039.60**	**112073.13**

C. Geographical information

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic market, regardless of where the goods were produced and segment assets presentation is based on the geographical location of the assets.

(i) Revenue from external customers

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
India	221863.67	213877.22
Europe and other countries	115632.94	134018.67
	337496.61	**347895.89**

(ii) Carrying amount of non-current assets (excluding derivative assets)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
India	74937.50	73258.98
Europe and other countries	77496.72	57832.30
	152434.22	**131091.28**

D. Major customer

Revenue from any customer of the Group's Roofing Solutions, Building Solutions, Polymer Solutions, Flooring Solutions and other segments does not exceed 10% of the total revenue reported and hence, the Management believes there are no major customers to be disclosed.

E. During the year ended 31 March 2024, Construction Chemicals business has been moved from Roofing Solutions to Polymer Solutions in view of the high synergy seen in the retail space for these products. Accordingly, Chief Operating Decision Maker (CODM) started reviewing the business performance of Construction chemicals business along with Polymer Solutions. Hence, the Group has changed its operating segments and has restated previously reported information to conform to current period presentation.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36 Employee benefits

The Group has the following post-employment benefit plans:

(a) Defined contribution plan

The following amount has been recognised as an expense in consolidated statement of profit and loss on account of contribution to provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	31 March 2024	31 March 2023
Contribution to provident fund	5769.50	5331.49
Contribution to employees state insurance schemes	219.53	243.68
Contribution to superannuation fund	-	20.56
	5989.03	**5595.73**

(b) Defined benefit plan

The Group has various employee benefit plans covering different categories of employees based on location of employment.

A. Gratuity plan of the Company

In accordance with the 'The Payment of Gratuity Act, 1972', the Company provides for Gratuity, the Employees' Gratuity Fund Scheme (the Gratuity Plan), covering eligible employees in India. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at the end of the year and are charged to the consolidated statement of profit and loss. This defined benefit plans expose the Company to actuarial risks, such as liquidity risk, interest rate risk, investment risk, etc.

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

The Gratuity plan is administered through Group Gratuity Scheme with Life Insurance Corporation of India ('LIC'). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The Company has determined that, in accordance with the terms and conditions of the gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan of the relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. As such, no decrease in the defined benefit asset is necessary at 31 March 2024 (31 March 2023: no decrease in defined benefit asset).

i. Reconciliation of the net defined benefit (asset) / liability

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss, the funded status and amount recognised in the consolidated balance sheet for the gratuity plan:

Particulars	31 March 2024	31 March 2023
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	2421.39	2277.35
Current service cost	278.59	245.04
Interest cost	180.78	157.02
Re-measurement (or actuarial) (gain) / loss arising from:		

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36 Employee benefits (Contd.)

(b) Defined benefit plan (Contd.)

A. Gratuity plan of the Company (Contd.)

i. Reconciliation of the net defined benefit (asset) / liability (Contd.)

Particulars	31 March 2024	31 March 2023
- change in demographic assumptions	-	-
- change in financial assumptions	54.82	(92.10)
- experience variance (i.e. actual experience vs assumptions)	(29.63)	0.10
Benefits paid	(222.28)	(187.75)
Changes due to business acquisition	-	21.73
Balance at the end of the year	**2683.67**	**2421.39**
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	2105.27	1953.10
Interest income	157.18	134.67
Contributions paid into the plan	0.34	0.34
Benefits paid	(0.95)	(9.36)
Return on plan assets, excluding amount recognised in net interest expense	6.69	26.52
Balance at the end of the year	**2268.53**	**2105.27**
Net defined benefit liability recognised in consoildated balance sheet	**415.14**	**316.12**
Expense recognised in consolidated statement of profit and loss		
Current service cost	278.59	245.04
Net interest cost on the net defined benefit liability	23.60	22.35
	302.19	**267.39**
Remeasurements recognised in other comprehensive income		
Actuarial loss / (gain) on defined benefit obligation	25.19	(92.00)
Return on plan assets, excluding amount recognised in net interest expense	(6.69)	(26.52)
	18.50	**(118.52)**

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2024	31 March 2023
Fund managed by LIC	100%	100%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2024	31 March 2023
Discount rate	7.15%	7.45%
Future salary growth	8.00%	8.00%
Attrition rate	7.00%	7.00%
Mortality rate (as a % of Indian Assured Lives Mortality 2012-14 (IALM) for FY 2023-24 and FY 2022-23)	100%	100%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the market yields of high quality corporate bonds as on the valuation date.

The salary growth rate indicated above is the Group's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36 Employee benefits (Contd.)

(b) Defined benefit plan (Contd.)

A. Gratuity plan of the Company (Contd.)

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

Particulars	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	2508.48	2882.66	2268.86	2594.34
Effect of 1% change in the assumed salary growth rate	2879.06	2508.25	2591.72	2268.25
Effect of 50% change in the assumed attrition rate	2641.92	2739.23	2395.21	2455.57
Effect of 10% change in the assumed mortaility rate	2683.36	2683.92	2421.20	2421.53

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

There are no changes in the methods and assumptions used in preparing the sensitivity analysis from the previous year.

Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of INR 722.35 lacs to the plan for the next annual reporting period (31 March 2023: INR 572.74 lacs).

Maturity profile of the defined benefit obligation

Expected cash flows on undiscounted basis

Particulars	31 March 2024	31 March 2023
Within 1 year	521.48	420.21
2 to 5 years	1029.52	1039.19
6 to 10 years	1129.36	981.19
More than 10 years	2293.49	2105.18

As at 31 March 2024, the weighted average duration of the defined benefit obligation was 7 years (31 March 2023: 7 years).

B. Other retirement benefit plans in subsidiary companies

In respect of subsidiary companies, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognised for obligations due to benefit plans for old age, invalidity and surviving dependent's benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country. Benefits are usually based on the length of service and final salary of employees. The actuarial valuation of the present value of the defined benefit obligation has been carried out as at 31 March 2024 and 31 March 2023.

i. Reconciliation of the net defined benefit (asset) / liability

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss, the funded status and amount recognised in the consolidated balance sheet for the gratuity plan:

Particulars	31 March 2024	31 March 2023
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	2368.18	2631.43
Current service cost	41.35	44.33
Interest cost	85.48	49.78
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(1.08)	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36 Employee benefits (Contd.)

(b) Defined benefit plan (Contd.)

B. Other retirement benefit plans in subsidiary companies (Contd.)

i. Reconciliation of the net defined benefit (asset) / liability (Contd.)

Particulars	31 March 2024	31 March 2023
- change in financial assumptions	64.56	(470.41)
- experience variance (i.e. actual experience vs assumptions)	66.52	119.75
Benefits paid	(188.56)	(145.05)
Foreign exchange fluctuation	11.46	138.36
Balance at the end of the year	**2447.91**	**2368.18**
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	251.37	221.71
Interest income	4.67	3.73
Contributions paid into the plan	(252.26)	11.62
Return on plan assets, excluding amount recognised in net interest expense	(4.67)	(0.70)
Foreign exchange fluctuation	0.89	15.01
Balance at the end of the year	**-**	**251.37**
Net defined benefit liability recognised in consolidated balance sheet	**2447.91**	**2116.81**
Expense recognised in consolidated statement of profit and loss		
Current service cost	41.35	44.33
Net interest cost on the net defined benefit liability	80.81	46.05
	122.16	**90.38**
Remeasurements recognised in other comprehensive income		
Actuarial loss / (gain) on defined benefit obligation	134.67	(350.66)
Return on plan assets, excluding amount recognised in net interest expense	-	0.67
	134.67	**(349.99)**

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2024	31 March 2023
Fund managed by Neue Leben Lebensversicherungs AG for the fund created for liability of one of the subsidiary company	0%	100%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2024	31 March 2023
Discount rate	3.50%	3.70%
Future salary growth	0.00 to 3.82%	0.00 to 3.56%
Pension increase rate	1.75%	1.75%
Attrition rate	7.75%	6.53%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Group's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36 Employee benefits (Contd.)

(b) Defined benefit plan (Contd.)

B. Other retirement benefit plans in subsidiary companies (Contd.)

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

Particulars	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	1364.24	1628.78	1401.46	1686.55
Effect of 1% change in the assumed pension rate	1627.63	1363.48	1668.37	1413.77

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of INR NIL to the plan for the next annual reporting period (31 March 2023: 12.42 lacs).

Maturity profile of the defined benefit obligation

Particulars	31 March 2024	31 March 2023
Within 1 year	230.60	172.88
2 to 5 years	806.31	846.79
More than 5 years	923.99	886.52
More than 10 years	1339.92	1262.05

At 31 March 2024, the weighted average duration of defined benefit obligation was 9.14 years (31 March 2023: 9.57 years).

37 Earnings per share ("EPS")

Particulars	31 March 2024	31 March 2023
(a) Net profit attributable to the equity shareholders	3478.54	9710.34
(b) Weighted average number of equity shares outstanding during the year	7538952	7522142
(c) Effect of potential equity shares on employee stock options outstanding	-	1930
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b) + (c)]	7538952	7524072
(e) Nominal value of equity shares (in INR)	10.00	10.00
(f) Basic earnings per share (in INR) [(a)/(b)]	46.15	129.09
(g) Diluted earnings per share (in INR) [(a)/(d)]	46.15	129.06

As at 31 March 2024, 65056 options were excluded from the diluted weighted average number of equity share calculation because their effect would have been anti-dilutive.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

38 Capital commitments

Particulars	31 March 2024	31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	4346.93	1525.52

39 Contingent liabilities

A. Contingent liabilities (not provided for) in respect of:

Particulars	31 March 2024	31 March 2023
(a) Demand raised by the Income-tax authorities, being disputed by the Group*	1180.92	1095.06
(b) Demands raised by sales tax and Goods and service taxes authorities, being disputed by the Group**	8591.89	8840.39
(c) Demands (including penalties) raised by excise authorities, being disputed by the Group***	698.37	689.21
(d) Appeal filed by the Group before the High Court of Judicature of Andhra Pradesh against the decision of appeal in favour of the Income-tax department pertaining to wealth tax matter.	56.98	56.98
(e) Pending cases with High Court where Income-tax department has preferred appeals	1531.36	1535.22
(f) Demand for property tax, being disputed by the Group^	-	-
(g) Other claims against the Group not acknowledged as debts ****	271.11	286.64

(h) There are other civil matters against the Company of which one such case is pertaining to certain mining activity performed by the Company in the past. The National Green Tribunal ("NGT"), New Delhi, disposed off the above case in the earlier year, directing that the restoration of mine to be carried out by State of Jharkhand; and filing of claims by the victims before the District Judge, Chaibasa for adjudication. Aggrieved by some of the findings in the aforesaid Orders and subsequent Orders passed by NGT, the Company filed a Civil Appeal before the Honourable Supreme Court of India. The Honourable Supreme Court of India directed to issue notice to other parties and maintain status in the meantime. During the previous year, the district mining officer, Chaibasa, has sought payment of environment compensation of INR 1344 lacs from the Company which is in wilful disobedience of the aforesaid order passed by the Honourable Supreme Court. The Company has responded accordingly. In view of the aforesaid Status Quo Order the further proceedings before NGT are being adjourned from time to time. Management believes that the final outcome of the above matter is not expected to be material on the financial statements.

* Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, depreciation expenses on wind mill, other expenses not allowed.

** The demands raised by the sales tax authority are mainly towards enhancement of turnover due to certain disallowances, entry tax on stock transfers and local sales tax demand upon completion of assessment and various other miscellaneous cases raised by the respective state authorities.

**During the year ended 31 March 2023, the Company received a demand from Goods and Services Tax Department, Government of Tamil Nadu, Chennai amounting to INR 7160 lacs for the period 01 July 2017 to 31 August 2022, with regards to HSN (Harmonized System Nomenclature) Classification code of one of the product sold by the Company. The Company challenged the said Orders by filing Appeals before Deputy Commissioner (Appeals), Chennai. Aggrieved by the order of the Appellate Authority confirming the demand, the Company has challenged the said Orders in the Honourable High Court of Madras by filing writ petition. Further, during the current year, a demand for an amount of INR 470 lacs was received by the Company from Goods and Services Tax Department, Government of Tamil Nadu, Chennai on this matter for the period 01 September 2022 to 31 March 2023. As on 31 March 2024, the Company has considered the aforesaid amount of INR 7630 lacs as Contingent liability.

*** The demand raised by the excise authority is mainly towards excise duty demand including interest and penalty towards disallowance of availment of CENVAT credit and wrong classification of products as taxable versus exempt product.

**** Other claims against the Group not acknowledged as debt mainly includes liability towards fuel surcharge adjustment disputed with electricity board for the financial year 2008-09 and 2009-10.

^ Greater Hyderabad Municipal Corporation ("GHMC") had served property tax demand notices on the Company claiming outstanding property tax to the tune of INR 1083 lacs and the same was considered as contingent liability. The Company challenged the said demand notices in the Honourable High Court of Telangana ("High Court"). During the previous year, the Honourable High Court has passed an order directing GHMC to reassess the tax dues subject to compliance of applicable laws. The original tax dues stand disposed in view of fresh tax computation within the provision of law. While the Company is awaiting fresh demand notice from GHMC consequent to the order of Honourable High Court, the management has created adequate provision basis its own assessment.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

39 Contingent liabilities (Contd.)

A. Contingent liabilities (not provided for) in respect of: (Contd.)

The Group is contesting various claims and demands and the Management believes that its position will likely be upheld in the process and accordingly no expense has been accrued in the consolidated financial statements for such claims and demands received as the ultimate outcome of this process will not have a material adverse effect on the Group's consolidated financial statements.

Pending resolution of the aforesaid respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect any reimbursements in respect of the above contingent liabilities except in respect of the action brought by an environmental agency.

B. On 28 February 2019, the Honourable Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Group has made a provision for provident fund contribution based on the best estimate during the earlier year. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

40 Related parties

A. List of related parties and nature of relationship

Name of the related party	Nature of relationship	Country	% of Holding as at	
			31 March 2024	31 March 2023
Supercor Industries Limited (refer note 53)	Joint venture	Nigeria	33%	33%
Parador (Shanghai) Trading Co., Ltd.	Joint venture	China	50%	50%

Name of the related party	Nature of relationship
Key Management personnel (KMP)	
Mr. Dhirup Roy Choudhary	Managing Director & Chief Executive Officer ("CEO") (till 31 January 2023)
Mr. Akshat Seth	Chief Executive Officer ("CEO") (w.e.f. 01 February 2023) and Managing Director ("MD") (w.e.f. 11 February 2023)
Mr. KR Veerappan	Chief Financial Officer (till 10 May 2022)
Mr. Saikat Mukhopadhyay	Chief Financial Officer (w.e.f. 29 July 2022 till 23 July 2023)
Mr. Ajay Kapadia	Chief Financial Officer (w.e.f. 24 July 2023)
Mr. Mahesh Thakar	Company Secretary and Head - Legal (till 27 January 2023)
Mr. Kamal Saboo	Company Secretary and Head - Legal (w.e.f. 15 July 2023 till 01 September 2023)
Ms. Nidhi Bisaria	Company Secretary (w.e.f. 02 September 2023)
Non-Executive Directors and Independent Directors	
Mr. Chandra Kant Birla	Chairman (Non-Executive Director)
Mr. Desh Deepak Khetrapal	Non-Executive Director
Mrs. Gauri Rasgotra	Independent Director
Mr. V.V. Ranganathan	Independent Director (till 17 March 2024)
Mr. Sunil Ramakant Bhumralkar	Independent Director (w.e.f 18 March 2024)
Dr. Arvind Sahay	Independent Director

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for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

40 Related parties (Contd.)

A. List of related parties and nature of relationship (Contd.)

Name of the related party	Nature of relationship
List of other related parties with whom there are transactions	
Birla Buildings Limited	Other related parties
CK Birla Corporate Services Limited	Other related parties
GMMCO Limited	Other related parties
National Engineering Industries Limited	Other related parties
Orient Cement Limited	Other related parties
Orient Electric Limited	Other related parties
Orient Paper and Industries Limited	Other related parties
CK Birla Healthcare Private Limited	Other related parties
Central India Industries Limited	Other related parties
Ms. Avanti Birla	Relative of KMP
Amer Investments (Delhi) Limited	Other related parties
Ashok Investment Corporation Limited	Other related parties
Hitaishi Investments Limited	Other related parties
Hyderabad Agencies Private Limited	Other related parties
Gwalior Finance Corporation Limited	Other related parties
Ranchi Enterprises and Properties Limited	Other related parties
Shekhavati Investments and Traders Limited	Other related parties
Universal Trading Company Limited	Other related parties

B. Transactions with related parties^

Related party	Nature of transactions	31 March 2024	31 March 2023
Non-Executive Directors and Independent Directors	Sitting fees, reimbursements and commission	177.00	178.00
Managing Director and Chief Executive Officer			
- Mr. Dhirup Roy Choudhary	Managerial remuneration		
	- Remuneration*	-	464.35
	- Perquisite value of ESOPs exercised during the year	-	303.50
	- Gratuity	-	20.00
	- Compensated absences	-	32.47
	Dividend Paid	-	18.17
- Mr. Akshat Seth	Managerial remuneration**		
	- Remuneration*	735.61	121.44
	- Long term incentives	126.00	-
	- Gratuity	7.16	1.83
	- Compensated Absences	6.34	-
Chief Financial Officer			
- Mr. KR Veerappan	Salaries*	-	46.44
	Gratuity	-	20.00
	Compensated Absences	-	20.66
- Mr. Saikat Mukhopadhyay	Salaries*	67.04	173.00
	Gratuity	-	2.31
	Compensated Absences	-	2.28
- Mr. Ajay Kapadia	Salaries*	94.09	-
	Long term incentives	21.50	-
	Gratuity	15.92	-
	Compensated Absences	11.96	-
Company Secretary			
- Mr. Mahesh Thakar	Salaries*	-	55.09
	Compensated absences	-	2.86

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for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

40 Related parties (Contd.)

B. Transactions with related parties^ (Contd.)

Related party	Nature of transactions	31 March 2024	31 March 2023
- Mr. Kamal Saboo	Salaries*	8.51	-
	Gratuity	0.90	-
	Compensated absences	1.15	-
- Ms. Nidhi Bisaria	Salaries*	31.39	-
	Gratuity	6.04	-
	Compensated absences	0.52	-
Mr. Chandra Kant Birla	Dividend Paid	20.55	33.39
Ms. Avanti Birla	Salaries*	171.16	126.48
	Gratuity	4.65	2.79
	Compensated Absences	6.73	2.55
	Long term incentives	44.48	-
GMMCO Limited	Purchase of goods	35.50	24.61
	Purchase of services	6.41	6.97
	Sale of Goods	5.72	-
Orient Electric Limited	Purchase of goods	-	6.36
National Engineering Industries Limited	Rent paid	28.87	139.35
	Reimbursements	32.67	22.24
Birla Buildings Limited	Rent paid	0.29	0.34
	Rent received	0.03	0.04
	Purchase of services	32.12	32.94
	Reimbursements	10.74	24.88
	Dividend received	0.25	0.38
		-	-
CK Birla Corporate Services Limited	Professional services received	750.18	613.15
	Brand usage charges	81.84	116.43
	Reimbursements	-	17.70
Orient Paper and Industries Limited	Rent received	54.66	66.04
	Sale of finished goods	6.59	12.80
	Dividend paid	362.54	589.13
	Rent paid	114.09	-
Orient Cement Limited	Rent received	69.46	81.84
	Sales of finished goods	0.51	2.04
CK Birla Healthcare Private Limited	Purchase of services	130.28	-
Central India Industries Limited	Dividend paid	429.85	698.51
Amer Investments (Delhi) Limited	Dividend paid	123.51	200.70
Ashok Investment Corporation Limited	Dividend paid	127.10	206.53
Hitaishi Investments Limited	Dividend paid	26.83	43.59
Hyderabad Agencies Private Limited	Dividend paid	1.64	2.67
Gwalior Finance Corporation Limited	Dividend paid	38.48	62.53
Ranchi Enterprises and Properties Limited	Dividend paid	1.80	2.93
Shekhavati Investments and Traders Limited	Dividend paid	89.79	145.91
Universal Trading Company Limited	Dividend paid	1.60	2.60

C. Balances outstanding^

Related party	Details	31 March 2024	31 March 2023
Supercor Industries Limited, Nigeria	Dividend receivable on investments #	9.01	9.01
Non-Executive Directors and Independent Directors	Commission	105.00	120.00
Managing Director and Chief Executive Officer			
- Mr. Akshat Seth	Managerial remuneration**		
	- Remuneration*	201.18	35.67

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for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

40 Related parties (Contd.)

C. Balances outstanding^ (Contd.)

Related party	Details	31 March 2024	31 March 2023
	- Gratuity	8.99	-
	- Compensated Absences	8.17	1.83
	- Long term incentives	126.00	-
Chief Financial Officer			
- Mr. Saikat Mukhopadhyay	Salaries*	-	18.85
	Gratuity	-	2.31
	Compensated absences	-	2.28
- Mr. Ajay Kapadia	Salaries*	16.77	-
	Long term incentives	21.50	-
	Gratuity	15.92	-
	Compensated Absences	11.96	-
Company Secretary			
- Ms. Nidhi Bisaria	Salaries*	3.21	-
	Gratuity	6.04	-
	Compensated absences	0.52	-
Ms. Avanti Birla	Salaries*	31.32	-
	Gratuity	7.45	2.79
	Compensated absences	9.28	2.55
	Long term incentives	44.48	-
GMMCO Limited	Trade payable	13.85	2.03
	Trade receivable	5.73	-
Birla Buildings Limited	Rent payable	0.45	1.53
	Rent receivable	0.04	-
CK Birla Corporate Services Limited	Trade payables	87.31	32.66
CK Birla Healthcare Private Limited	Other payables	13.20	-
Orient Cement Limited	Trade receivable	-	0.02
Orient Paper & Industries Limited	Rent receivable	3.89	-
National Engineering Industries Limited	Reimbursements	2.25	0.17

During earlier year, the Group made provision for the dividend receivable amounting to INR 9.01 lacs from Supercor Industries Limited ("Supercor") as the receipt of same is considered to be doubtful. Further, the Group has also made provision for value of investment in Supercor in the books of account amounting to INR 142.60 lacs.

* Payment of insurance costs are made for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above.

**The remuneration paid / payable by the Company to its Managing Director and Chief Executive Officer during the current year is INR 854.11 lacs. The limit on such remuneration prescribed under Section 197 read with Schedule V to the Companies Act, 2013 ("the Act") is INR 578.39 lacs. The excess remuneration is primarily attributable to the value of performance incentive and long-term cash incentive payable to the Managing Director and Chief Executive Officer for the current year. The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for the same by way of special resolution in accordance with the requirements of the Act. As per management's assessment, the approval from shareholders for excess remuneration is probable.

^ Disclosures are including (Goods and Services Tax) GST, wherever applicable.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

41 Details of dues to Micro Enterprises and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information as required under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	31 March 2024	31 March 2023
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [(including INR 174.84 lacs shown under capital creditors (31 March 2023: INR 162.68 lacs) and INR 54.74 lacs (31 March 2023: INR 66.08 lacs) shown under liabilities on business acquisition]	2298.41	2431.76
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;*	0.67	Nil
(c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	Nil	Nil

*It includes interest provision on certain outstanding balances for which settlement is under discussion.

42 Share based payments

A. Description of share-based payment arrangements

Employee stock option scheme (equity-settled)

The Company provides share-based payment schemes to its eligible employees as identified in the employee stock option schemes. The relevant details of these schemes and the grants are as below:

On 12 August 2019, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2019 (ESOP scheme 2019) for issue of stock options to identified employees of the Company.

On 27 January 2023, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2023 (ESOP scheme 2023) for issue of stock options to identified employees of the Company. Subsequently, the scheme was approved by the Shareholders of the Company on 04 April 2023, through Postal Ballot process.

According to the scheme, eligible employees identified by the Nomination and Remuneration cum Compensation Committee are entitled to options, subject to satisfaction of the prescribed vesting conditions.

The relevant terms of the grant as mentioned in the ESOP scheme 2019 and ESOP scheme 2023 are as below:

Particulars	ESOP scheme 2023			ESOP scheme 2019
	Grant I	Grant II	Grant III	Grant I
Date of grant	15 July 2023	19 October 2023	19 October 2023	14 October 2019
Number of options outstanding	56054	1742	7860	-
Vesting period	40% - 16 July 2024	40% - 19 October 2024	40% - 19 October 2025	40% - end of year 3
	60% - 01 April 2025	60% - 19 October 2025	60% - 19 October 2026	60% - end of year 4
Exercise period	4 years from the respective dates of vesting	4 years from the respective dates of vesting	4 years from the respective dates of vesting	4 years from the respective dates of vesting

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

42 Share based payments (Contd.)

A. Description of share-based payment arrangements (Contd.)

Particulars	ESOP scheme 2023			ESOP scheme 2019
	Grant I	Grant II	Grant III	Grant I
Exercise price (INR)	2999.50	2931.00	2931.00	1234.15
Weighted average market price (INR)	1075.72	1171.22	1302.37	1234.15

B. Measurement of fair values

The fair value of the option and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

As at 31 March 2023

Particulars	ESOP scheme 2019
	Grant I
	Tranche 2
Grant date	14 October 2019
Fair value at grant date (INR)	470.38
Exercise price (INR)	1234.15
Expected volatility (weighted average volatility)	37.89%
Risk-free interest rate (based on government bonds)	6.56%
Time to maturity (in years)	5.00
Expected dividends yields	2.05%

As at 31 March 2024

Particulars	ESOP scheme 2023					
	Grant I		Grant II		Grant III	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Grant date	15 July 2023		19 October 2023		19 October 2023	
Fair value at grant date (INR)	1075.72	1075.72	1171.22	1171.22	1302.37	1302.37
Exercise price (INR)	2999.50	2999.50	2931.00	2931.00	2931.00	2931.00
Expected volatility (weighted average volatility)	41.25%	46.84%	45.35%	45.35%	44.48%	44.48%
Risk-free interest rate (based on government bonds)	6.91%	6.93%	7.28%	7.28%	7.30%	7.30%
Time to maturity (in years)	5.00	5.72	5.00	6.00	6.00	7.00
Expected dividends yields	1.79%	1.79%	0.85%	0.85%	0.85%	0.85%

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The weighted average remaining contractual life for the stock options outstanding is 4.90 years (31 March 2023: 4.54 years).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

42 Share based payments (Contd.)

C. Reconciliation of outstanding share options

The details of activity under "ESOP scheme 2019 and ESOP scheme 2023" are summarised below:

Particulars	31 March 2024	31 March 2023
	No. of options	No. of options
Outstanding at the beginning of the year	3336	70411
Granted during the year	65656	-
Cancelled during the year*	-	43415
Vested and exercised during the year	3336	23660
Outstanding at the end of the year	65656	3336

* cancelled stock options lies in pool account for future grants.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2024 was INR 2809.20 per share (31 March 2023: INR 2618.71 per share).

D. Expense recognised in the consolidated statement of profit and loss

During the previous year, on account of resignation of few eligible employees to the ESOP scheme 2019, the Company has cancelled the shares granted to them. The expense recognised till the date of resignation for such ESOPs have been reversed in the Statement of profit and loss. For details of the related employee benefits expense, refer note 28.

43 Service concession arrangement

On 21 March 2011, the Company entered into a service concession agreement with Gujarat Urja Vikas Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 18 April 2011. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 1.8 MW wind power plant at village Vandhiya, Gujarat for a period of 25 years at a fixed rate of INR 3.56 per kwh for delivered energy as certified by state electricity authority of Gujarat state load dispatch center ("SLDC"), starting from 18 April 2011 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

On 24 September 2014, the Company entered into a service concession agreement with Ajmer Vidyut Vitran Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 30 September 2014. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 2 MW wind power plant at village Rajgarh, district Jaisalmer for a period of 25 years at a fixed rate of INR 5.31 per kwh for the delivered energy conforming the standards as approved by Rajasthan Electricity Regulatory Commission ("RERC"), starting from 30 September 2014 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

The Company recognised service concession arrangement with Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited under intangible asset model, on the basis that the Company will receive variable amount of revenue from the respective DISCOMs in Gujarat and Rajasthan depending upon the actual amount of electricity generated and supplied to the respective DISCOMs. The DISCOMs has not assured any minimum amount of proceeds to the Company. The Company bears the demand risk and the right to receive cash from the DISCOMs is not unconditional i.e. it depends upon the actual amount of electricity generated and supplied to the DISCOMs.

The service concession agreements with the Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited does not contain a renewal option. The standard rights of the grantor to terminate the agreement in both the arrangements include poor performance by the Company and the event of a material breach of the terms of the agreement by the Company. The standard rights of the Company to terminate the agreement in both the arrangements include failure of the grantor to make payment under the agreement and a material breach by the grantor of the terms of the agreement.

During the year, the Company has recorded revenue of INR 220.62 lacs (31 March 2023: INR 225.48 lacs) on generation of power, and recorded profit of INR 39.81 lacs (31 March 2023: INR 69.89 lacs).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

44 Leases - In the capacity of lessor

The Group has given certain properties under non-cancellable leases to various parties. The Group has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Following are the details of future minimum lease receivables under the agreements:

Particulars	31 March 2024	31 March 2023
Not later than one year	462.37	410.31
Later than one year and not later than five years	276.41	585.24
Later than five years	-	-

45 Capital management

The Group aims to maintain a strong capital base so as to maintain the confidence of all stakeholders and to sustain future development of the business.

In order to maintain the capital structure, the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as going concern and to optimise returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves and debt represents non-current borrowings and current borrowings.

The Group's total debt to equity ratio at the reporting dates were as follows:

Particulars	31 March 2024	31 March 2023
Total debt	54782.18	40745.00
Total debt (A)	**54782.18**	**40745.00**
Total equity	125283.89	124365.43
Total equity (B)	**125283.89**	**124365.43**
Total debt to total equity ratio (A/B)	**0.44**	**0.33**

46 Expenditure incurred on research and development

Revenue expenditure debited to respective heads of accounts includes expenditure incurred on Research and Development during the year amounting to INR 645.76 lacs (31 March 2023: INR 662.89 lacs) and assets / equipment purchased for research activities of INR 124.82 lacs (31 March 2023: INR 41.78 lacs) disclosed under Property, plant and equipment.

47 Expenditure during construction period (included in capital work-in-progress)

Particulars	31 March 2024	31 March 2023
Balance brought forward (A)	-	**20.50**
Expenditure incurred during the year		
Cost of material consumed	-	10.82
Employee benefits expense	-	40.35
Consumption of stores and spares	-	8.19
Contract wages	-	10.11
Power and fuel	-	7.48
Printing & stationary	-	0.03
Rent	-	10.31
Rates and taxes	-	1.74
Insurance	-	1.64
Professional, consultancy and legal expenses	-	7.11
Travelling and conveyance	-	8.17
Miscellaneous	-	21.96
Total expenditure during construction period (B)	-	**127.91**
Less: Turnover (C)	-	2.33
Less: Stocks of finished goods out of trial run production (D)	-	6.15
Total (A+B-C-D)	-	**139.93**
Allocated to property, plant and equipment	-	139.93
Balance carried forward	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

48 The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 31 October 2024, as required by law. The Management confirms that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

49 The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

50 Leases - In the capacity of lessee

The following tables summarise the movement in lease liabilities:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning	2449.33	2502.23
Additions	21558.36	1107.93
Interest expenses	93.18	101.61
Deletions	-	(28.36)
Repayment of principal and interest lease liabilities	(1316.13)	(1333.26)
Exchange differences on translation of foreign operations	33.56	99.18
Balance at the end	**22818.30**	**2449.33**

As at balance sheet date, the Group is not exposed to future cash flows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Group has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Group has incurred following expenses relating to short-term leases for which the recognition exemption has been applied (refer note 31).

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses relating to short term leases (refer note 31)	1955.77	1202.33
Expenses relating to low value leases	-	-

The following are the amounts recognised in consolidated statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on Right-of-use assets	1305.64	1313.51
Interest expenses	93.18	101.62
	1398.82	**1415.13**

Amounts recognised in Statement of Cash flows

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Repayment of principal and interest lease liabilities	1316.13	1333.26
	1316.13	**1333.26**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

50 Leases - In the capacity of lessee (Contd.)

Total minimum lease payments are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Not later than 1 year	2634.56	1255.78
Later than 1 year and not later than 5 years	6125.05	1120.57
More than 5 years	34516.82	1438.67

51 Other provisions

Particulars	Opening balance	Created during the year	Utilised during the year	Exchange differences on translation of foreign operations	Closing balance	Current	Non-current
(i) For the financial year 2023-24							
Provision for employee related other costs [refer note (a) below]	657.58	16.94	(656.30)	(4.90)	13.32	13.32	-
Provision for litigations [refer note (b) below]	307.25	-	(53.33)	-	253.92	253.92	-
Provision - others [refer note (c) below]	390.00	-	-	-	390.00	390.00	-
Provision for warranties [refer note (d) below]	984.13	13.82	(512.68)	4.12	489.39	489.39	-
	2338.96	**30.76**	**(1222.31)**	**(0.78)**	**1146.63**	**1146.63**	**-**
(ii) For the financial year 2022-23							
Provision for employee related other costs [refer note (a) below]	114.68	1178.73	(678.24)	42.41	657.58	657.58	-
Provision for litigations [refer note (b) below]	307.25	-	-	-	307.25	307.25	-
Provision - others [refer note (c) below]	390.00	-	-	-	390.00	390.00	-
Provision for warranties [refer note (d) below]	925.69	465.02	(465.02)	58.44	984.13	984.13	-
	1737.62	**1643.75**	**(1143.26)**	**100.85**	**2338.96**	**2338.96**	**-**

(a) The wage agreement at one of the manufacturing locations of the Group is pending as at 31 March 2024. It also includes provision for other short-term employee payables.

(b) Provision for litigations represents provision towards potential liability against various ongoing indirect tax cases based on Group's internal assessment.

(c) Provision - others represents provision towards possible obligation against certain past events for which the expected outflow is certain.

(d) Provision for warranties represents provision towards possible replacements to the customers within the agreed warranty period.

52 Particulars of hedged foreign currency exposure as at the balance sheet date

The details of forward contracts outstanding at the year end are as follows:

Particulars	Currency	Number of contracts	Amount in foreign currency	Purpose
As at 31 March 2024	USD	8	3224728	For hedging of current and future trade payables
	USD	3	1013000	For hedging of loan receivables
	EUR	2	200000	For hedging of current and future trade payables
	EUR	18	12500000	For hedging of loan receivables
	EUR/USD	1	845000	For hedging of loan receivables
As at 31 March 2023	USD	23	5190000	For hedging of current and future trade payables
	USD	3	1013000	For hedging of loan and interest receivables
	EUR	18	8678037	For hedging of loan receivables
	EUR/USD	1	845000	For hedging of loan and interest receivables

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53 Equity Accounted Investee

Interest in joint venture

The Group’s interest in a joint venture company is as follows:

Investment in equity instruments - unquoted- at cost less provision for other than temporary impairment

Particulars	31 March 2024	31 March 2023
Supercor Industries Limited, Nigeria: 4125000 equity shares of Naira 1 each fully paid	142.60	142.60
(31 March 2023 : 4125000 equity shares of Naira 1 each fully paid)		
Less: Provision for investment in joint venture	(142.60)	(142.60)
Parador (Shanghai) Trading Co., Ltd., China: One share of 100000 Euro each		
(31 March 2023 : One share of 100000 Euro each)	115.41	175.57
	115.41	**175.57**
Aggregate amount of unquoted non-current investments	258.01	318.17
Aggregate amount of provision for impairment in value of non-current investments	142.60	142.60

Name of the joint venture company	Country of incorporation	Proportion of ownership interest	For the year ended on	Description of Interest
Supercor Industries Limited	Nigeria	33%	31 December 2023	JV established for manufacture of asbestos cement sheets
Parador (Shanghai) Trading Co., Ltd	China	50%	31 March 2023	JV established for trading of Flooring Solutions products

The following table summarises the financial information of Parador (Shanghai) Trading Co., Ltd. and the carrying amount of the Group's interest in Parador (Shanghai) Trading Co., Ltd. for the reporting years:

Parador (Shanghai) Trading Co., Ltd.	31 March 2024	31 March 2023
Percentage of ownership interest	**50%**	**50%**
Non-current assets	52.52	28.47
Current assets	1556.35	1838.78
Non-current liabilities	-	-
Current liabilities	(1331.51)	(1462.04)
Net Assets	**277.36**	**405.19**
Group's share	138.68	202.59
Unrealised profit eliminations	(23.27)	(27.02)
Group's share of net assets (50%)	**115.41**	**175.57**
Carrying amount of interest in joint venture	**115.41**	**175.57**
Group's share of profit / (loss)	(58.33)	(119.19)
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	**(58.33)**	**(119.19)**

During the year ended 31 March 2024, the Group has received net dividends amounting to NIL (31 March 2023: NIL) from the joint venture with Parador (Shanghai) Trading Co., Ltd.

Note:

a) The Group in financial year 1979-80 had invested in Supercor Industries Limited, Nigeria ("Supercor"). Supercor suspended its operations from November 2015 and closed its offices because of which it has not prepared any financial statements since then. Therefore, the Group has been unable to incorporate the requisite financial information, if any, of Supercor in its consolidated financial statements as required under Section 129(3) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Group’s investment in Supercor as at 31 March 2024 amounts to INR NIL (31 March 2023: INR NIL), after considering the provision for diminution in value of investments amounting to INR 142.60 lacs (31 March 2023: INR 142.60 lacs). During the earlier years, on the basis of the request filed by the Group, an intimation was received from Reserve Bank of India for suspension of the Unique Identification Number allotted to Supercor. The Management does not foresee any future liability on account of any claim, with respect to Supercor over and above the amount invested in Supercor.

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for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

54 Exceptional Items

Certain land and buildings classified under non-current assets held for sale as identified in the previous year have been sold during the year. Profits arising on the sale transactions have been reported under Exceptional items amounting to INR 3721.29 lacs.

55 A. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

31 March 2024

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
HIL Limited	95.05%	119076.26	296.03%	10297.66	-20.83%	(13.80)	290.11%	10283.86
Subsidiary								
HIL International GmbH	26.78%	33554.65	-195.98%	(6817.29)	119.26%	79.00	-190.09%	(6738.29)
Adjustment arising out of consolidation	-21.83%	(27347.02)	-0.05%	(1.83)	1.57%	1.04	-0.02%	(0.79)
Total	**100.00%**	**125283.89**	**100.00%**	**3478.54**	**100.00%**	**66.24**	**100.00%**	**3544.78**

31 March 2023

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
HIL Limited	89.59%	111418.72	133.98%	13009.84	3.25%	88.23	105.42%	13098.07
Subsidiary								
HIL International GmbH	32.40%	40292.95	-33.96%	(3297.37)	96.67%	2624.24	-5.42%	(673.13)
Adjustment arising out of consolidation	-21.99%	(27346.24)	-0.02%	(2.13)	0.08%	2.13	0.00%	-
Total	**100.00%**	**124365.43**	**100.00%**	**9710.34**	**100.00%**	**2714.60**	**100.00%**	**12424.94**

B. List of related parties and nature of relationship

Name of the related party	Nature of relationship	Country	% of Holding as at 31 March 2024	% of Holding as at 31 March 2023
Supercor Industries Limited	Joint venture	Nigeria	33%	33%
HIL International GmbH	Wholly owned subsidiary	Germany	100%	100%
Parador Holding GmbH	Step-down subsidiary	Germany	100%	100%
Parador GmbH	Step-down subsidiary	Germany	100%	100%
Parador Parkettwerke GmbH	Step-down subsidiary	Austria	100%	100%
Parador UK Limited	Step-down subsidiary	England	100%	100%
Parador (Shanghai) Trading Co., Limited	Joint venture	China	50%	50%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2024

Particulars	Notes	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	10	938.13	-	-	-	938.13	-	938.13	-	938.13
Investments in mutual funds	7	10229.38	-	-	-	10229.38	10229.38		-	10229.38
Investments in equity instruments	7	-	34.13	-	-	34.13	-	-	34.13	34.13
		11167.51	**34.13**	**-**	**-**	**11201.64**	**10229.38**	**938.13**	**34.13**	**11201.64**
Financial assets not measured at fair value										
Trade receivables	8	-	-	15406.87	-	15406.87				
Loans	9	-	-	2696.91	-	2696.91				
Other financial assets	10	-	-	4483.47	-	4483.47				
Cash and cash equivalents	13	-	-	13459.02	-	13459.02				
Other bank balances	14	-	-	91.83	-	91.83				
		-	**-**	**36138.10**	**-**	**36138.10**				
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	54782.18	54782.18				
Lease liabilities	18	-	-	-	22818.30	22818.30				
Trade payables	19	-	-	-	39243.21	39243.21				
Other financial liabilities	20	-	-	-	15114.58	15114.58				
		-	**-**	**-**	**131958.27**	**131958.27**				

The fair value of investments in equity instruments, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments. Investments in mutual funds, which are classified as FVTPL are measured using net asset value at the reporting date multiplied by the quantity held.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management (Contd.)

A. Accounting classifications and fair values (Contd.)

31 March 2023

Particulars	Notes	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	10	2086.28	-	-	-	2086.28	-	2086.28	-	2086.28
Investments in equity instruments	7	-	34.06	-	-	34.06	-	-	34.06	34.06
		2086.28	**34.06**	**-**	**-**	**2120.34**	**-**	**2086.28**	**34.06**	**2120.34**
Financial assets not measured at fair value										
Trade receivables	8	-	-	12854.94	-	12854.94				
Loans	9	-	-	2684.00	-	2684.00				
Other financial assets	10	-	-	8825.07	-	8825.07				
Cash and cash equivalents	13	-	-	6197.19	-	6197.19				
Other bank balances	14	-	-	86.31	-	86.31				
		-	**-**	**30647.51**	**-**	**30647.51**				
Financial liabilities measured at fair value										
Derivative liabilities	20	7.27	-	-	-	7.27	-	7.27	-	7.27
		7.27	**-**	**-**	**-**	**7.27**	**-**	**7.27**	**-**	**7.27**
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	40745.00	40745.00				
Lease liabilities	18	-	-	-	2449.33	2449.33				
Trade payables	19	-	-	-	33857.77	33857.77				
Other financial liabilities	20	-	-	-	14133.76	14133.76				
		-	**-**	**-**	**91185.86**	**91185.86**				

The fair value of investments in equity instruments, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management (Contd.)

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

Derivative assets / liabilities: The fair value is determined using forward exchange rates at the reporting date and present value calculations based on high credit quality yield curve in the respective currencies.

Investment in equity instruments: The fair value is determined based on value determined as per discounted cash flows approach and intrinsic value per share as on the reporting date.

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2023-24 and no transfers in either direction in 2022-23.

iii. Level 3 fair values

Particulars	FVOCI Equity securities
Balance at 01 April 2022	34.62
Net change in fair value (unrealised)	(0.56)
Balance at 31 March 2023	**34.06**
Balance at 01 April 2023	34.06
Net change in fair value (unrealised)	0.07
Balance at 31 March 2024	**34.13**

Sensitivity analysis

For the fair values of FVOCI equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

Particulars	OCI, net of tax	
	Increase	Decrease
2023-24		
Annual growth rate (2.5% movement)	**151.60**	**(13.78)**
2022-23		
Annual growth rate (2.5% movement)	**151.26**	**(13.19)**

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

a) Liquidity risk

b) Market risk

c) Credit risk

Risk management framework

The Board of Directors of the Company have overall responsibility for the establishment and deployment of risk management framework. The Board of Directors have adopted a Risk Policy, which empowers the management to access and monitoring the risk management parameters along with action taken and the same is updated to Board of Directors.

The Group's risk management policies are established to identify and analyse the risks being faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management (Contd.)

C. Financial risk management (Contd.)

Risk management framework (Contd.)

The Company's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

a) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As disclosed in Note 17, the Group has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to the Management to ensure compliance with the agreement.

The interest payments on variable interest rate loans reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts reflect the principal amounts that are gross and undiscounted, and exclude the impact of netting agreements.

31 March 2024

Particulars	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	1291.27	1355.81	1355.81	-	-	-
Term loan from banks including interest accrued but not due	34576.68	34576.68	2610.51	7744.33	24221.84	-
Working capital loan including interest accrued but not due	18914.23	18914.23	18914.23	-	-	-
Trade payables	39243.21	39243.21	39243.21	-	-	-
Liabilities on acquisition	54.74	58.06	25.00	33.06	-	-
Capital creditors	1161.61	1161.61	1161.61	-	-	-
Unpaid dividend	79.69	79.69	79.69	-	-	-
Security deposits	4502.94	4502.94	4502.94	-	-	-
Contract liabilities	4854.09	4854.09	4854.09	-	-	-
Other financial liabilities- discounts, commissions and other receivables	4461.51	4461.51	4461.51	-	-	-
	109139.97	**109207.83**	**77208.60**	**7777.39**	**24221.84**	**-**
Derivative financial liabilities						
Derivative liabilities	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management (Contd.)

C. Financial risk management (Contd.)

Risk management framework (Contd.)

a) Liquidity risk (Contd.)

31 March 2023

Particulars	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	1187.80	1355.81	-	1355.81	-	-
Sales tax deferment loan - unsecured	4.98	4.98	4.98	-	-	-
Term loan from banks including interest accrued but not due	23037.41	23129.48	3838.12	3838.12	15453.24	-
Working capital loan including interest accrued but not due	16514.81	16514.81	16514.81	-	-	-
Trade payables	33857.77	33857.77	33857.77	-	-	-
Liabilities on acquisition	66.08	74.12	49.12	25.00	-	-
Capital creditors	1149.78	1149.78	1149.78	-	-	-
Unpaid dividend	85.31	85.31	85.31	-	-	-
Security deposits	4527.22	4527.22	4527.22	-	-	-
Contract liabilities	4259.35	4259.35	4259.35	-	-	-
Other financial liabilities- discounts, commissions and other receivables	4046.02	4046.02	4046.02	-	-	-
	88736.53	**89004.65**	**68332.48**	**5218.93**	**15453.24**	**-**
Derivative financial liabilities						
Derivative liabilities	7.27	7.27	7.27	-	-	-
	7.27	**7.27**	**7.27**	**-**	**-**	**-**

b) Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives to manage market risks.

i) Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currency for Company is Indian Rupee (INR). The currencies in which these transactions are primarily denominated is US dollars, Euros, Swedish Krona, Pounds etc. The Group does not enter into any derivative instruments for trading or speculative purposes.

Currency risks related to the principal amounts of the Group's US dollar trade payables, taken out by the Group, have been partially hedged using forward contracts that mature on or before the dates as the payables are due for repayment. These contracts are designated as derivatives.

Generally, borrowings are denominated in currencies that matter the cash flows generated by the underlying operations of the Group. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore, hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management (Contd.)

C. Financial risk management (Contd.)

Risk management framework (Contd.)

b) Market risk (Contd.)

i) Foreign currency risk (Contd.)

Exposure to currency risk

The summary of data about the Group's exposure to unhedged currency risk (based on notional amounts) as reported to the management is as follows (including intercompany balances):

Particulars	Currency	31 March 2024			31 March 2023		
		Value in foreign currency	Exchange rate	Amount INR in lacs	Value in foreign currency	Exchange rate	Amount INR in lacs
Trade payables	USD	(3722741)	83.36	(3103.33)	(1331063)	82.32	(1095.75)
	EUR	-	-	-	-	-	-
	SEK	(702991)	7.79	(54.79)	(252147)	7.94	(20.02)
	CHF	-	-	-	(9752)	89.73	(8.75)
	DKK	(19936)	12.05	(2.40)	(56638)	12.04	(6.82)
	GBP	(20215)	105.15	(21.26)	2361	101.76	2.40
	PLN	(2317)	20.83	(0.48)	(9926)	19.12	(1.90)
	NOK	(1502)	7.70	(0.12)	(4572)	7.87	(0.36)
Trade receivables	USD	-	-	-	-	-	-
	GBP	228554	105.15	240.34	28582	101.76	29.08
	SEK	9292515	7.79	724.30	15441988	7.94	1226.29
	CHF	119291	92.05	109.81	244690	89.73	219.55
Interest accrued on loan to subsidiaries	EUR	-	-	-	1307484	89.47	1169.81
Cash and bank balances	USD	189551	83.36	158.01	73915	82.32	60.85
	GBP	150682	105.15	158.45	108190	101.76	110.09

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, US dollar, Euro, etc. against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

31 March 2024

Particulars		Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
(1% movement)	USD	(29.45)	29.45	(22.04)	22.04
	EUR	-	-	-	-
	SEK	6.70	(6.70)	5.01	(5.01)
	CHF	1.10	(1.10)	0.82	(0.82)
	DKK	(0.02)	0.02	(0.01)	0.01
	GBP	3.78	(3.78)	2.83	(2.83)
	PLN	-	-	-	-
	NOK	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management (Contd.)

C. Financial risk management (Contd.)

Risk management framework (Contd.)

b) Market risk (Contd.)

i) Foreign currency risk (Contd.)

Sensitivity analysis (Contd.)

31 March 2023

Particulars		Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
(1% movement)	USD	(10.35)	10.35	(7.74)	7.74
	EUR	4.49	(4.49)	3.36	(3.36)
	SEK	12.06	(12.06)	9.03	(9.03)
	CHF	2.11	(2.11)	1.58	(1.58)
	DKK	(0.07)	0.07	(0.05)	0.05
	GBP	1.42	(1.42)	1.06	(1.06)
	PLN	-	-	-	-
	NOK	-	-	-	-

ii) Interest rate risk

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2024	31 March 2023
Variable rate borrowings including current maturities	53490.91	39460.03
Total borrowings	**53490.91**	**39460.03**

Sensitivity

Particulars	Impact on profit and loss	
	31 March 2024	31 March 2023
1% increase in interest rate	(534.91)	(394.60)
1% decrease in interest rate	534.91	394.60

The interest rate sensitivity is based on the closing balance of loans from banks.

c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade receivables :

Customer credit risk is managed by the respective department subject to Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Group. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

The Group uses an allowance matrix to measure the ECL of trade receivables from individual customers, which comprise a very large number of small balances. Based on the industry practice and the business environment in which the entity operates, Management considers that the trade receivables are in default if the payments are more than 180 days past due.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management (Contd.)

C. Financial risk management (Contd.)

Risk management framework (Contd.)

c) Credit risk (Contd.)

Trade receivables : (Contd.)

Loss rates are based on actual credit loss experience over the past 5 years.

Trade receivables :	< 180 days	>180 days	Provision	Total
31 March 2024	15426.23	1456.35	(1475.69)	15406.89
31 March 2023	12657.68	1843.44	(1646.18)	12854.94

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	31 March 2024	31 March 2023
Balance as at 01 April	1646.18	1449.85
Amounts written off	(636.02)	(22.04)
Net remeasurement of loss allowance	465.53	218.37
Balance as at 31 March	**1475.69**	**1646.18**

Security deposits

Security deposits are primarily given to electricity authorities of states across India. Recoverability of these deposits is probable and no risk is expected.

Contract assets

Contract assets are the unbilled revenues to the state electricity boards of Gujarat, Rajasthan and Tamil Nadu, towards the sale of electricity generated from Wind Turbine Generators of the Company, situated at those locations. Refer Note 43 for details. Recoverability of these receeivables is probable and no risk is expected.

Other receivables

The balances under other receivables is primarily the dividend receivables from the Company's investment in Supercor. As Supercor is inoperative (refer note 53(c)) the Company has considered the entire balances as credit impaired in its books.

Cash and cash equivalents and other bank balances

The cash and cash equivalents and other bank balances are held with banks. Credit risk on cash and cash equivalents and deposits with banks and financial institutions are generally low as the said deposits have been made with the banks and financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

57 Benami Property

There are no proceeding initiated or pending against the Company as at 31 March 2024 and 31 March 2023, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

58 Wilful defaulter

The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

59 Undisclosed incomes

The Company has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the current year or previous year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other provisions of the Income Tax Act, 1961).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

60 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries) except as disclosed below. The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. The Company has given a long-term loan of Euro 4 million (INR 3641.30 lacs) at the interest rate of 8% p.a. to HIL International GmbH, Germany (wholly owned subsidiary company) on 14 August 2023. This loan was utilised by the subsidiary company for further advancing the loan to Parador GmbH, Germany, a wholly owned step-down subsidiary on 16 August 2023 to meet its general business requirements. The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013. Such transactions are not violative of the Prevention of Money-Laundering Act, 2022 (15 of 2003).

61 There are no loans or advances in the nature of loans are granted to promoters, directors, KMP's and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person, that are:

a) repayable on demand; or

b) without specifying any terms or period of repayment"

62 Compliance with number of layers of companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

63 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

64 The Company has entered into a Share subscription and purchase agreement dated 11 March 2024 with Crestia Polytech Private Limited for subscription and purchase of the shares of Crestia Polytech Private Limited, Topline Industries Private Limited, Aditya Polytechnic Private Limited, Sainath Polymers and Aditya Industries (collectively referred to as "Crestia and its group entities"). Subsequent to the year ended 31 March 2024, the Company has acquired 100% stake in Crestia Polytech Private Limited, Topline Industries Private Limited, Aditya Polytechnic Private Limited and Prabhu Sainath Polymers Private Limited by investing INR 15844.71 lacs. The acquisition was completed on 05 April 2024 subject to the conditions specified in the agreement by the respective parties and the Company has acquired control by way of acquisition of shares. However, the acquisition of Aditya Industries has not been completed since the conversion of said partnership firm into private limited company is under process and the acquisition will be completed once the conversion is occurred. This transaction was approved by the Board of Directors in their meeting held on 11 March 2024. The acquisition is expected to achieve synergy by integrating the acquired assets into the Company's existing Polymer Solutions segment business and help in exploring untapped geographies.

The Company is in the process of completing the purchase price allocation for the aforesaid acquisitions and accordingly disclosures required under paragraphs B64 (e)-(q) of Ind AS 103 - Business Combinations are not being made. The Company has incurred acquisition-related costs of INR 603.90 lacs on legal fees, due diligence costs and other professional fees. These costs have been included in "other expenses" in the statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

65 Struck off companies

The Company has not entered into any transactions with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956. Below are the details of balances outstanding:

S. No	Name of the struck off company	Nature of transactions with struck off company	Balances as at 31 March 2024	Relationship with the struck off company
1.	Paramount PEB Projects Private Limited	Payables	0.36	None
2.	Bluepeter shipping Private Limited	Payables	-	None
		Purchases	2.09	None
3.	Delux Steel Industries Metal And Concast India Private Limited	Receivables	0.06	None
		Sales	5.65	None
4.	Giriraj Steels Private Limited	Sales	94.17	None
		Receivables	0.46	None
5.	GCL Enterprises Private Limited	Sales	1.03	None
		Receivables	-	None
6.	B.L. Gupta constructions Private Limited	Sales	0.02	None
7.	GR Infracon Private Limited	Sales	73.86	None
		Receivables	3.17	None
8.	Asma Infratech Private Limited	Receivables	6.86	None
9.	Integrate Micro Systems Private Limited	Shares held by struck off company	108 shares	Shareholder
10.	Commercial Probe-Aid Services (India) Private Limited	Shares held by struck off company	200 shares	Shareholder
11.	Alliance Mediacom Private Limited	Shares held by struck off company	39 shares	Shareholder

As per our Report of even date attached

for **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number: 128510W

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

Sulabh Kumar Kedia
Partner
Membership No.: 066380
Place: New Delhi
Date: 07 May 2024

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and
Chief Executive Officer
DIN: 10039820
Place: New Delhi

Ajay Kapadia
Chief Financial Officer
Membership No.: 108447
Place: New Delhi

Nidhi Bisaria
Company Secretary
Membership No.: F5634
Place: New Delhi

Date: 07 May 2024

NOTICE OF 77th ANNUAL GENERAL MEETING

Notice is hereby given that the 77th Annual General Meeting ("**AGM**") of **HIL Limited** (hereinafter referred to as "**HIL**" or "**the Company**") will be held on **Tuesday, July 30, 2024 at 3:00 PM** IST through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**") to transact the following business:

Ordinary Business:

Item No. 1: To adopt audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2024:

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2: To confirm the payment of Interim Dividend and declare Final Dividend:

To confirm the payment of Interim Dividend of ₹15/- (i.e. 150%) per Equity Share of ₹ 10/- each and to declare a Final Dividend of ₹ 22.50/- (i.e. 225%) per Equity Share of ₹ 10/- each for the financial year 2023-24.

Item No. 3: To appoint Mr. Chandrakant Birla (DIN: 00118473) as a Director liable to retire by rotation:

To appoint a Director in place of Mr. Chandrakant Birla (DIN: 00118473), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

Item No. 4: To appoint Prof. Janat Shah (DIN: 01625535) as an Independent Director of the Company:

To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") and the Rules made thereunder, Regulation 17, 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration cum Compensation Committee and approval of the Board of Directors, Prof. Janat Shah (DIN: 01625535), who was appointed by the Board of Directors as an Additional Director of the Company, designated as an Independent Director with effect from May 7, 2024, in terms of Section 161 of the Act, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria of independence prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and being eligible for appointment under the provisions of the Act and the Rules framed thereunder and the SEBI Listing Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from May 7, 2024 up to May 6, 2029.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof, if any) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

Item No. 5: To approve increase in the limit of managerial remuneration payable to the Managing Director & Chief Executive Officer in excess of 5% of the net profits of the Company up to a limit of 8% of the net profits of the Company for the financial year 2023-24:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**"), read with Schedule V thereof and the Rules made thereunder and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), in accordance with the Articles of Association and the Nomination, Remuneration & Evaluation Policy of the Company, based on the recommendation of the Nomination and Remuneration cum Compensation Committee and approval of the Board of Directors, the approval of the members of the Company be and is hereby accorded to increase the limit of managerial remuneration payable to Mr. Akshat Seth (DIN: 10039820), Managing Director & Chief Executive Officer for the financial year 2023-24, to the extent it would exceed 5% of the net profits of the Company, computed in the manner as laid down in Section 198 of the Act, but not exceeding 8% of the net profits of the Company for the financial year 2023-24.

RESOLVED FURTHER THAT the aggregate salary, allowances, perquisites and other benefits, retirals, variable pay and long term cash incentive as per Company's Scheme paid/payable to Mr. Akshat Seth for the financial year 2023-24 be paid as minimum remuneration subject to compliance with the provisions of Section 197 of the Companies Act, 2013 and other applicable provisions and the rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof if any) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

Item no. 6: To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2025:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder and subject to all other approvals, if any, members of the Company hereby ratify the payment of remuneration, as approved by the Board of Directors, to M/s. S. S. Zanwar & Associates, Cost Accountants in practice (Registration No. 100283) of the Company, amounting to ₹ 8 lakh (Rupees Eight Lakhs only) plus applicable taxes and out of pocket expenses, to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof if any) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By the order of the Board
HIL Limited

Nidhi Bisaria
Company Secretary
Membership. No: F5634

Place: New Delhi
Date: May 7, 2024

NOTES:

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 (“**Act**”), in respect to the special businesses to be transacted at the AGM is annexed hereto. Additional information as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and Secretarial Standard -2 (“**SS-2**”) on General Meetings issued by the Institute of Company Secretaries of India, concerning item nos. 3 and 4 of the Notice are annexed.

2. Pursuant to General Circular No. 9/2023 dated September 25, 2023, read along with General Circular Nos. 11/2022 dated December 28, 2022, 3/2022 dated May 5, 2022, 20/2021 dated December 8, 2021, 10/2021 dated June 23, 2021, 39/2020 dated December 31, 2020, 33/2020 dated September 28, 2020, 22/2020 dated June 15, 2020, 17/2020 dated April 13, 2020 and 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs (“**MCA**”) (collectively referred to as “**MCA Circulars**”), the companies are permitted to hold their Annual General Meeting (“**AGM**”) through video conferencing (“**VC**”) or other audio visual means (“**OAVM**”) up to September 30, 2024 without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at Office Nos. 1 & 2, L7 Floor, SLN Terminus, Survey No. 133, Near Botanical Garden, Gachibowli, Hyderabad - 500032, Telangana, India, which shall be deemed venue of the AGM.

3. Since the AGM will be held through VC/OAVM, pursuant to the MCA Circulars, physical attendance of the members is not required at the AGM, and attendance of the members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013. Route map of the venue of the Meeting is accordingly not annexed hereto.

4. Pursuant to the provisions of section 105 of the Act and Regulation 44(4) of the SEBI Listing Regulations, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the applicable MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of Proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. For enabling the Members to participate at the 77th AGM, the Company has entered into an agreement with National Securities Depository Limited (“**NSDL**”) to provide VC/OAVM facility and e-voting facility for the Annual General Meeting. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on a first-come-first-served basis as per the MCA Circulars. This will not include large members (members holding 2% or more shareholding), Promoters, Institutional Investors, etc., who are allowed to attend AGM without restriction on account on first come first served basis.

6. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc.) are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting during the e-voting period and/or during the AGM. Corporate/ Institutional members are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote/attend AGM, to the Scrutinizer by e-mail at **mohitkamdar@yahoo.co.in** with a copy marked to National Securities Depositories Limited (‘**NSDL**’) (agency for providing the Remote e-Voting facility) at **evoting@nsdl.com** and the Company at **cs@hil.in**. They can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "**Upload Board Resolution/Authority Letter**" displayed under "**e-Voting**" tab in their login at e-voting portal.

7. **Dispatch of Annual Report through Electronic Mode:** In compliance with the MCA Circulars and the Securities and Exchange Board of India (“**SEBI**”) circular dated October 7, 2023 read with circular dated January 5, 2023, May 13, 2022, January 15, 2021 and May 12, 2020 (hereinafter referred to as “**SEBI Circulars**”), Notice of the 77th AGM along with the Annual Report for the financial year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant/ Registrar and Share Transfer Agent of the Company. The Company shall send physical copy of the Annual Report for the financial year 2023-24 to those members who request for the same at **cs@hil.in** mentioning their Folio No./ DP ID and Client ID. Members may note that this Notice along with the Annual Report for the financial year 2023-24 will also be available on the website of the Company at **https://hil.in**, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com**, respectively and also on the website of NSDL at **www.evoting.nsdl.com**.

8. **Procedure for updating/registering email address and mobile numbers for receiving AGM Notice and Annual Report of the Company electronically:**

   Members who have not registered their email id, may register the same with the Company/RTA by giving the details, viz, folio number/ DP ID & Client ID, e-mail address, mobile number, self-attested copy of PAN card and Client Master copy (in case of electronic folio) / copy of share certificate (in case of physical folio) to RTA at **investor.relations@vccipl.com** or to the Company at **cs@hil.in** for limited purpose of receiving notice of 77th Annual General Meeting of the Company and Annual Report for FY 2023-24. Post successful registration of the email, the member would get soft copy of the Annual Report 2023-24 along with Notice of the AGM containing the procedure for e-voting along with the User ID and Password to enable casting of vote through remote e-voting or electronic voting at the AGM.

9. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, July 24, 2024 till Tuesday, July 30, 2024**, both days inclusive, for the purpose of AGM and for determining the entitlement of the Members for payment of final dividend for financial year 2023-24, if approved at the AGM.

10. **Payment of Final Dividend:** The dividend on Equity Shares, if declared at the AGM, will be paid, subject to deduction of tax at source, on or before August 22, 2024 to the Members whose names appear on the Company's Register of Members as on the close of business hours on Tuesday, July 23, 2024 ("**Cut-off Date**") and whose bank mandate are registered in the records of the Depository Participants/RTA.

    SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 (subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 March 16, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 November 17, 2023) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: **https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf.** As mandated by the aforesaid SEBI circulars, the dividend, if any, payable by the Company, against your holdings is liable to be withheld if the KYC details are not updated against your holding.

    Updation of Bank account details: Members who have not registered their Bank account details are requested to register the same by submitting the details viz. Name and Branch of the Bank in which you wish to receive the dividend, type of Bank Account, Bank Account Number allotted by their banks after implementation of Core Banking Solutions, 9 digit MICR Code Number, 11 digit IFSC Code and scanned copy of the cancelled cheque bearing the name of the first shareholder:

    i) **For shares held in physical form:** to the Company/RTA in prescribed Form ISR-1 and ISR-2 and other KYC documents pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023.

    ii) **For shares held in electronic form:** to their Depository Participants.

11. **Tax Deduction at Source on Dividend:** Pursuant to Income-tax Act, 1961, as amended, the dividend income is taxable in the hands of members and therefore, the Company shall be required to deduct tax at source ('**TDS**') at the prescribed rates from dividend paid to members. For the prescribed rates for various categories, members are requested to refer to the Finance Act, 2020 and amendments thereof.

    For Resident members, TDS shall be deducted under Section 194 of the Income-tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during the financial year 2024-25, provided PAN is provided by the member. If PAN is not submitted to the Company/RTA (in case shares are held in physical mode)/not updated in their demat account (in case shares are held in demat mode)/PAN is not linked with Aadhar, TDS would be deducted @ 20% as per Section 206AA of the Income-tax Act, 1961.

    However, no TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend received/to be received during the financial year 2024-25 does not exceed ₹ 5,000.

    A resident individual member with PAN and who is not liable to pay income-tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Further, in terms of Section 206AB of the Income-tax Act, 1961, effective from July 1, 2021, TDS deducted shall be higher of the following i) Twice the rate specified in the relevant provision of the Income-tax Act; or ii) Twice the rate or rates in force; or iii) the rate of 5%, in case the person has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted/collected, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. It shall not be limited to TDS only on dividend income received by the member but will include all TDS transactions of the member during the relevant financial year.

    Non-resident members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No

Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits.

Members may submit the aforementioned documents by sending an email to RTA at **investor.relations@vccipl.com** or to the Company at **cs@hil.in** on or before Thursday, July 18, 2024 in order to enable the Company to determine and deduct appropriate tax. No communication on the tax determination/deduction shall be entertained post July 18, 2024. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the members, there would still be an option available with the members to file the return of income and claim an appropriate refund, if eligible.

Members may download the TDS certificate from the Income Tax Department's website **https://www.incometax.gov.in/** (refer to Form 26AS). If any member needs assistance in obtaining the TDS certificate, he/she may write to the Company at **cs@hil.in** or to RTA at **investor.relations@vccipl.com**.

12. Members are requested to address all correspondences, including for dividends, to the RTA of the Company, at:

Name	M/s. Venture Capital and Corporate Investments Pvt. Ltd
Address	"AURUM", Door No. 4-50/P-II/57/4F & 5F, Plot No.57, 4th & 5th Floors, Jayabheri Enclave Phase - II, Gachibowli, Hyderabad – 500 032
Email ID	investor.relations@vccipl.com
Land line no.	040-23818475/76
Website	www.vccipl.com

13. **IEPF related information:** Dividends, if not encashed for a period of 7 years, from the date of transfer to Unpaid/Unclaimed Dividend Account of the Company, are liable to be transferred to Investor Education and Protection Fund ('**IEPF**'). Further, the shares of a member who does not encash his/ her dividend for a continuous period of 7 years, are also liable to be transferred to the demat account of IEPF Authority as per procedure laid down under the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("**IEPF Rules**").

Members who have not encashed their dividend paid by the Company so far up to and during the financial year ended March 31, 2024, may immediately approach the Company/RTA for claiming such dividend amount. Information in respect of the unclaimed dividend up to March 31, 2024, is uploaded on the website of the Company, **https://hil.in.**

Please note that the unpaid/unclaimed final dividend for the financial year 2016-17 shall become due to transfer to IEPF on August 19, 2024 upon completion of seven years in terms of section 124(6) of the Act. The corresponding shares shall be transferred to relevant demat account of the IEPF Authority as per Rule 6 of the IEPF Rules, as amended. You are thus requested to claim the unclaimed dividend by sending a written application to RTA or to the Company's Registered/Corporate Office address along with requisite supporting documents as detailed in notice sent to the shareholders whose dividend and/or shares are liable to be transferred. The said application should reach the Company on or before August 9, 2024 so as to enable us to update the details and submit your request to the bankers to remit the said unclaimed dividend by NEFT. In case no claim is received with respect to the above dividend, the shares (whether held in physical or electronic form) will be transferred by the Company to the demat account of the IEPF Authority.

The Members whose unclaimed dividends and/or shares have been transferred to IEPF, may contact the Company or RTA and submit the required documents for issue of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the IEPF-5 form for claiming the dividend and/or shares available on www.iepf.gov.in. The procedure for claiming the shares from IEPF Authority is available on **https://hil.in/wp-content/uploads/2022/11/Procedure-for-claiming-shares-unclaimed-dividend.pdf**.

14. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at **https://hil.in/wp-content/uploads/2024/05/Form-ISR-4.pdf** and on the website of the Company's RTA, at **https://www.vccipl.com/index.html**. It may be noted that any service request can be processed only after the folio is KYC compliant.

15. **KYC updation for members:** SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 read with Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 had simplified norms for processing investor's service request by RTAs and for furnishing PAN, KYC and nomination details. For facilitating to update their aforesaid details, the Company has uploaded required forms – ISR1, ISR2, ISR3, ISR4, SH13 and SH14, on its website, **https://hil.in.**

Members can download the Forms, as applicable / required, fill in the details and send to the RTA of the Company for updating the details.

Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc, to their Depository Participants ("**DPs**") if the shares are held in demat form and to the Company/RTA in prescribed Forms, if the shares are held in physical form.

16. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("**ODR Portal**") for resolution of disputes arising in the Indian Securities Market.

    Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal **(https://smartodr.in/login)** and the same can also be accessed through the Company's website **https://hil.in/investor-relations/sebi-circulars/**.

17. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a demat account or alternatively, contact RTA to seek guidance for the demat procedure. Members may also visit website of depositories viz. National Securities Depository Limited viz. **https://nsdl.co.in/faqs/faq.php** or Central Depository Services (India) Limited viz. **https://www.cdslindia.com/investors/open-demat.html** for further understanding of the demat procedure.

18. **Procedure for inspection of documents:** The register of Directors and Key Managerial Personnel and their shareholding, register of contracts, certificate from the Secretarial Auditors on the implementation of ESOP Scheme and other relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to **cs@hil.in**.

19. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before July 18, 2024 by sending an e-mail to **cs@hil.in**. The same will be replied by the Company suitably. Please note that the shareholders' questions will be answered only if the shareholder continues to hold the shares as on the cut-off date, i.e., July 23, 2024.

20. **VOTING THROUGH ELECTRONIC MEANS AND ATTENDING THE AGM THROUGH VC/OAVM:**

    i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 regarding e-Voting facility provided by Listed Entities, the Company is providing to its Members facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means ("**e-Voting**").

    ii. **Remote e-Voting:** Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("**remote e-Voting**"). The facility of casting the votes by remote e-Voting will be provided by NSDL.

    iii. The remote e-Voting period commences on **Friday, July 26, 2024, at 9:00 a.m. IST and ends on Monday, July 29, 2024 at 5:00 p.m. IST**. During this period, the Members, whose names appear in the Register of Members / Beneficial Owners as on Tuesday, July 23, 2024 ("**Cut-off date**") may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, July 23, 2024. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

    iv. **Voting at the AGM:** Members who have not voted through remote e-Voting may avail the e-Voting facility provided in the AGM by NSDL. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote through remote e-Voting are eligible to vote through e-Voting at the AGM. However, Members who have voted through remote e-Voting will be eligible to attend the AGM. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned for remote e-Voting.

v. A Member shall opt for only one mode of voting, i.e., either through remote e-Voting or through e-Voting during the Meeting. If a Member cast's votes by both the modes, then voting done through remote e-Voting shall prevail.

vi. The voting rights of a Member / Beneficial Owner (in case of electronic shareholding) shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the cut-off date, that is Tuesday, July 23, 2024.

vii. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company shall be entitled to vote at the 77th AGM.

viii. Once the vote on a resolution is cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.

ix. Members who have acquired shares of the Company after the dispatch of this Notice and holding shares as on the cut-off date / member who has forgotten the User ID and Password, may approach NSDL at **evoting@nsdl.com**, for issuance of User ID and Password for exercising their right to vote by electronic means as explained in e-Voting instructions. However, if he/she is already registered with NSDL for remote e-Voting then he/ she can use his/her existing User ID and Password for casting the vote. Individual members holding securities in dematerialized mode may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for individual members holding securities in dematerialized mode."

x. **The instructions for remote e-Voting and joining the AGM are as under:**

A. VOTING THROUGH ELECTRONIC MEANS:

Process to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system.

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

I) ***Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode***

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for individual members holding securities in dematerialized mode is given below:

Type of members	Login Method
Individual members holding securities in dematerialized mode with NSDL	**A. NSDL IDeAS facility** **If you are already registered with IDeAS, follow the below steps:** 1. Visit the e-Services website of NSDL. Open web browser and type the following URL: **https://eservices.nsdl.com/** either on a computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services under Value Added Services. 4. Click on "Access to e-Voting" appearing on the left-hand side under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against Company name or e-Voting service provider-NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. **If you are not registered with IDeAS, follow the below steps:** 1. Option to register is available at **https://eservices.nsdl.com**. 2. Select "Register Online for IDeAS" Portal or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** 3. Please follow steps given in points 1-5 above. **B. E-Voting website of NSDL:** 1. Open web browser and type the following URL: **https://www.evoting.nsdl.com/** either on a computer or on a mobile phone.

Type of members	Login Method
	2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. C. Shareholders/Members can also download NSDL mobile app **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. 
Individual members holding securities in dematerialized mode with CDSL	1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website **www.cdslindia.com** and click on login icon & **New System Myeasi Tab** and then use your existing my easi username & password. 2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website **www.cdslindia.com** and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Upon login, you will be able to see the e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.com** or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at toll free no. 1800 22 55 33

II) Login method for e-Voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

How to Log-in to NSDL e-voting website?

i. Visit the e-Voting website of NSDL. Open web browser by clicking the URL: **https://www.evoting.nsdl.com/** either on a computer or on a mobile.

ii. Once the home page of e-voting system is launched, click on the icon **"Login"** which is available under 'Shareholder/Member' section.

iii. A new screen will open. You will have to enter your User ID, Password/OTP and a verification code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can login at **https://eservices.nsdl.com/** with your existing IDeAS login. Once you login to NSDL eservices after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

iv. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a. For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example: If your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12******
b. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example: If your Beneficiary ID is 12************** then your User ID is 12**************
c. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example: If EVEN is 123456 and folio number is 001*** then User ID is 123456001***

v. Password details for members, other than Individual members, are given below:

a. If you are already registered for e-Voting, then you can use your existing Password to login and cast your vote.

b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your Password.

c. How to retrieve your 'initial password'?

i. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file.

The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. In case you have not registered your e-mail address with the Company/ Depository, please follow instructions mentioned in this Notice.

vi. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a. Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**.

b. Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**.

c. If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/ folio number, PAN, name and registered address.

d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

vii. After entering your password, tick on agree to "Terms and Conditions" by selecting on the check box.

viii. Now, you will have to click on "Login" button.

ix. After you click on the "Login" button, home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically and join AGM on NSDL e-Voting system?

i. After successful login at Step 1, you will be able to see all the companies "**EVEN**" in which you are holding shares and whose voting cycle and general meeting is in active status.

ii. Select "**EVEN**" of Company, for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

iii. Now you are ready for e-Voting as the voting page opens.

iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify or modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

v. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number.

vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for members

i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to upload their Board Resolution/ Power of Attorney / Authority Letter by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab on this screen or send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **mohitkamdar@yahoo.co.in** with a copy marked to evoting@nsdl.com and **cs@hil.in**.

ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on **https://www.evoting.nsdl.com** to reset the Password.

iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for shareholders available at the download section of **www.evoting.nsdl.com** or call on 022 - 4886 7000 or send a request to Mr. Amit Vishal, Asst. Vice President-NSDL or Mr. Sanjeev Yadav, Assistant Manager–NSDL at evoting@nsdl.com or contact at NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL-IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL-IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

a. In case shares are held in physical mode please provide Folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to RTA email ID investor.relations@vccipl.com or to the Company's email id **cs@hil.in**.

b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to RTA email ID **investor.relations@vccipl.com** or to the Company's email id cs@hil.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

c. Alternatively, shareholder/members may send a request to **evoting@nsdl.com** for procuring user id and password for e-voting by providing above mentioned documents.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

i. Members will be able to attend the AGM through VC/OAVM through the NSDL e-Voting system. After successful login, you can see VC/OAVM link placed under Join meeting menu against the Company name. This link will be enabled 30 minutes before the schedule time of AGM. **You are requested to click on VC/OAVM link placed under "Join Meeting" menu**. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice. Further, members can also use the OTP based login for logging into the e-Voting system of NSDL.

ii. Members are encouraged to join the AGM through Laptops/computers for better experience and use internet with a good speed to avoid any disturbance during the AGM.

iii. Please note that members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

iv. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.

v. Members who need assistance before or during the meeting, can contact NSDL on evoting@nsdl.com or call on toll free No: **022 - 4886 7000** or send a request to **Mr. Amit Vishal, Asst. Vice President-NSDL or Mr. Sanjeev Yadav, Assistant Manager-NSDL at evoting@nsdl.com**.

vi. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker shareholder by sending request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at **cs@hil.in by July 23, 2024 (5:00 pm IST)**. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for speaking, depending on the availability of time for the AGM.

vii. Further members, who have registered themselves as a speaker shareholder, will be required allow camera and use internet with a good speed to avoid any disturbance during the meeting.

21. The Board of Directors of the Company has appointed Mr. Mohit Gurjar, (CP No. 18644 and Membership No. 20557) of M/s. P.S. Rao & Associates, Company Secretaries, as the Scrutiniser to scrutinise the e-Voting process before and during the AGM in a fair and transparent manner.

22. The Scrutiniser shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast prior to AGM) and make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or any officer of the Company so authorised by the Board.

23. The results shall be declared along with the Scrutiniser's report within 2 working days from the conclusion of AGM and shall be placed on the website of the Company **https://hil.in** and on the website of NSDL at **www.evoting.nsdl.com** immediately. The Company shall simultaneously communicate the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The recorded transcript of the 77th AGM shall also be made available on the website of the Company **https://hil.in** in the Investor Relation section, as soon as possible after the AGM is over.

24. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM, i.e., Tuesday, July 30, 2024.

EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4, 5 and 6 of the accompanying Notice:

Item No. 4:

The Board of Directors on the recommendation of the Nomination and Remuneration cum Compensation Committee ("**NRC**") at its meeting held on May 7, 2024 approved the appointment of Prof. Janat Shah (DIN: 01625535) as an Additional (Independent) Director of the Company, for a period of 5 (five) years commencing from May 7, 2024 up to May 6, 2029, subject to approval of the Members by way of special resolution.

Pursuant to the provisions of Section 161 of the Act, Prof. Shah will hold office up to the date of ensuing Annual General Meeting. Further, in terms of Regulation 17(1)(c) of SEBI Listing Regulations, approval of members of the Company is required to be obtained for appointment of a Director, at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

In terms of the applicable provisions of the Act and the SEBI Listing Regulations, the Company has received requisite disclosures/declarations from Prof. Shah, including (i) consent to act as a Director under Section 152 of the Act in Form DIR-2; (ii) declaration under Section 164 of the Act in Form DIR-8 to the effect that he is not disqualified from being appointed as a Director; (iii) declaration that he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority; (iv) declaration of independence under Section 149(7) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations; (v) declaration that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his/her duties (vi) disclosure of interest under Section 184(1) of the Act in Form MBP-1; and all other necessary information/declarations. Prof. Shah has also confirmed that he has complied with Rule 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

The Company has also received notice in writing under Section 160 of the Act from a member proposing the candidature of Prof. Shah for the office of Independent Director of the Company.

Further, in the opinion of the NRC and the Board, Prof. Shah possess the requisite skills and capabilities required for the role of an Independent Director of the Company, considering his qualifications and expertise.

Prof. Janat Shah is the founding director and professor of Operations Management at IIM Udaipur. He is a mechanical engineer from the Indian Institute of Technology, Mumbai and has obtained his Fellow in Management from the Indian Institute of Management Ahmedabad. Before joining IIM Udaipur, Prof. Shah has been with IIM Bangalore as a faculty of operations management for almost 20 years. He is a leading authority in the fields of Supply Chain Management and Operations Strategy. His book titled Supply Chain Management - text & cases has been used in MBA and executive MBA courses at IIM Udaipur, IIM Bangalore as well as at numerous other business schools throughout India. He has also published extensively in national and international journals. He currently holds a position of special professor at Nottingham University. Recipient of several teaching awards, Prof. Shah has consulted with and been responsible for management education programs for executives in various large corporates.

In conformity with the Company's Nomination, Remuneration & Evaluation Policy, Prof. Shah will be entitled to receive remuneration by way of sitting fees for attending the meetings of the Board and Committees thereof of which membership, if any, is held by him, reimbursement of expenses for participation in the meetings and also commission on an annual basis, of such sum as may be recommended by the NRC and approved by the Board, subject to the overall limits as specified under the Act and the Rules framed thereunder.

The terms and conditions of the appointment of Independent Directors are uploaded on the website of the Company at **https://hil.in/investor-relations/letter-of-appointments-terms-of-independent-director/** and would also be made available for inspection to the Members of the Company as per the details mentioned in the notes of this Notice.

Prof. Shah is not related to any other Director or Key Managerial Personnel of the Company or relatives of the Directors or Key Managerial Personnel of the Company.

Except Prof. Shah and his relatives, to the extent of his resolution, none of the other Directors, Key Managerial Personnel or any of their respective relatives are, in any way, concerned or interested, whether financially or otherwise, in the resolution set out at item no. 4.

The Board of Directors of the Company recommends the resolution set forth at Item no. 4 of the accompanying Notice, for the approval of the shareholders as special resolution.

Additional details as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

Item No. 5:

The shareholders, on April 4, 2023, by way of an ordinary resolution, approved the appointment of Mr. Akshat Seth

(DIN 10039820) as the Chief Executive Officer (CEO) & Key Managerial Personnel (KMP) with effect from February 1, 2023 and as the Managing Director (MD) with effect from February 11, 2023 for a term of five (5) years along with payment of managerial remuneration which includes salary, allowances, perquisites and other benefits, retirals, variable pay and long term cash and stock incentives as per Company's Scheme for the said period in terms of the provisions of section 196, 197 read with the Schedule V of the Companies Act 2013 (**"the Act"**). In line with the terms and conditions approved by the shareholders vide resolution dated April 4, 2023, during the financial year 2023-24, the Nomination and Remuneration cum Compensation Committee ("**NRC**") recommended grant of long term incentive, payable in cash as well as by way of stock options to Mr. Akshat Seth, under the long term incentive plans of the Company and the same was approved by the Board.

Accordingly, based on the review of the performance of the Company as well of Mr. Akshat Seth, NRC at its meeting held on May 7, 2024 recommended for payment of performance linked variable pay of ₹ 201.18 lakh and 1st tranche of long-term cash incentive of ₹ 126.00 lakh to Mr. Akshat Seth, MD & CEO, as part of his remuneration for the financial year 2023-24. With the said payments, the aggregate amount of remuneration paid/payable to Mr. Akshat Seth, for the financial year 2023-24 would exceed the limits i.e. 5% of the net profits of the Company calculated as per Section 198 of the Act, as stipulated under the provisions of section 197 of the Act, but shall be within a limit of 8% of the net profits of the Company for the financial year 2023-24. Please note that the said payment of variable pay and long-term incentive is within the terms as approved earlier by NRC, the Board and the shareholders at the time of his appointment. Also, it is pertinent to note that there is no rupee increase in the remuneration being paid by the Company, and the remuneration remains aligned with the amount approved to be paid to Mr. Akshat Seth for his role as MD & CEO and the breach in the limit is on account of the profit element of the Company for the financial year 2023-24.

Further, as per the provisions of Section 197 and other applicable provisions of the Act read with Schedule V thereof and the Rules made thereunder, the maximum managerial remuneration payable to the managing director in respect of any financial year may exceed 5% of the net profits of the Company, calculated as per Section 198 of the Act, provided the same is approved by the members of the Company by way of a special resolution. For the purpose of assessing the proportion of the remuneration to the net profits of the Company, all elements of remuneration package as stated above have been taken into consideration.

In view of the above, on recommendation of NRC, the Board of Directors at its meeting held on May 7, 2024, proposed to increase the limit of 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 by passing the special resolution as appended in this notice in terms of the provisions of section 197 read with Schedule V of the Companies Act, 2013.

The information as required by second proviso of Paragraph B of Section-II of Part-II of Schedule V of the Companies Act, 2013, is given below:-

I. General Information:

(1) Nature of industry

HIL Limited is engaged in business of manufacturing and sale of Fiber Cement, Humid Cure Roofing Sheets, Autoclaved Aerated Concrete Blocks (Fly Ash Blocks), Fiber Cement Board and Panels and a wide range of plumbing solutions, including CPVC, UPVC, Column Pipes, SWR and Pressure Pipes & Fittings ideal for household, industrial, and commercial applications; and Wall Care Putty.

(2) Date of commencement of commercial production: June 23, 1955

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable

(4) Financial performance based on given indicators (on standalone basis):

(₹ in crore)

Particulars	2023-24	2022-23	2021-22
Total income	2,266.76	2,187.73	2,005.45
Earnings Before Interest, Depreciation, Amortization & Tax	174.53	228.37	306.63
Profit Before Tax and Exceptional items	95.82	163.68	248.31
Profit after tax for the year	102.98	130.10	185.83
Basic Earnings Per Share (₹)	136.59	172.95	247.73

(5) **Foreign investments or collaborations, if any.**

The Company has below overseas subsidiaries/ joint venture:

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

II. Information about the appointee:

(1) **Background details**

Mr. Akshat Seth (DIN: 10039820), aged 45 years, holds Bachelor's and Master's Degree in Chemical Engineering from Indian Institute of Technology (IIT), Delhi and Master of Business Administration (MBA) from Indian Institute of Management (IIM), Calcutta.

Akshat has over two decades of proven track record of scaling up and transforming businesses and building high performing teams. His sharp, strategic mindset and an eye for operational excellence has helped him create and unlock value across multiple industry segments in India, Europe and the Middle east.

He joined CK Birla Group in 2014 to lead the Office of Growth & Strategy driving strategy, M&A and new business development across all group companies. In this role, he worked closely with the business leadership teams for strategy formulation, performance tracking and driving special improvement projects. He has been instrumental in driving the growth plans for the Company, both organic and inorganic. Under his leadership, the Company has acquired Crestia Polytech Pvt. Ltd. and its group companies, which further enhanced HIL's brand strength in pipes & fittings in several key markets. The acquisition not only doubles Company's revenue of Pipes & Fittings business but also immediately enhances our production capacity three-fold, especially in the strategically important Eastern region.

Also, Mr. Akshat has been associated with CK Birla Healthcare Pvt. Ltd. as Vice Chairman and was instrumental in conceptualizing and scale up of the brand of CK Birla Hospitals and chain of fertility clinics – Birla Fertility & IVF as well to foray in Digital Health within the CK Birla Healthcare platform.

(2) **Past remuneration (p.a.)**

Mr. Akshat Seth was appointed as the Chief Executive Officer (CEO) & Key Managerial Personnel (KMP) with effect from February 1, 2023 and as the Managing Director (MD) with effect from February 11, 2023 of HIL Limited and was paid remuneration for part of the year 2022-23, hence not applicable.

(3) **Recognition or awards**

Under the leadership of Mr. Akshat Seth as MD & CEO, the Company was awarded several prestigious awards including the following prominent awards earned during the financial year 2023 -24:

- **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. 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. 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 an recognition for exemplary performance and achievement, contribution to making a positive difference in the Indian real estate industry and outstanding leadership in the market.

  '**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'.

  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 I 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

(4) Job profile and suitability

Please refer point no. 1 under the above heading "Information about the appointee".

(5) Proposed Remuneration: Remuneration paid/ payable for the financial year 2023-24 under consideration:

Particulars	Per Month (₹)	Per Annum (₹)
Basic Salary	18,00,000	2,16,00,000
Allowances and perquisites:		
Special Allowance	11,95,420	1,43,45,040
Leave Travel Allowance	1,50,000	18,00,000
Other Allowances/ Perquisites	27,000	3,24,000
Gross Salary	**31,72,420**	**3,80,69,040**

In addition to the above, Mr. Akshat Seth was entitled to:

i. House Rent Allowance of ₹ 9,00,000/- (Rupees Nine Lakh only) per annum.

ii. Annual performance linked variable pay of ₹ 2,01,17,828/- (Rupees Two Crore One Lakh Seventeen Thousand Eight Hundred Twenty Eight only) being 77% of the eligible amount, as decided by the NRC/Board basis the performance of the Company and achievement of agreed targets.

iii. Long-term cash incentive of ₹ 1,26,00,000/- (Rupees One Crore Twenty Six Lakh only) (1st Tranche) as per the Long-term Cash Incentive Plan 2023 of the Company, as decided by the NRC/Board on basis the performance of the Company and achievement of agreed targets.

iv. Provident Fund and Gratuity as per Company Rules.

v. Chauffer driven Company maintained car.

vi. Medical Insurance and Personal Accidental Insurance Coverage under the Group Mediclaim Insurance Scheme and Group

Personal Accidental Insurance Scheme as applicable to employees of the Company from time to time.

vii. Encashment of leave at the end of the year / tenure / cessation of service / retirement, as per the applicable rules of the Company.

viii. Reimbursement of Mobile handset, telephone connection and broad band connection at residence and the expenses towards its usage at actuals as per the applicable rules/policy of the Company.

ix. Perquisites arising on account of exercise of options as granted under the HIL Limited Employee Stock Option Scheme 2023.

x. Appointment will be terminable by either party by giving three months' notice or salary in lieu thereof.

Subject to as aforesaid, the Managing Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Name of the Company	Everest Industries Limited		Ramco Industries Limited		Visaka Industries Limited	
Particulars	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**
Revenue	1361	1645	1184	1310	1416	1647
Profit Before tax	67	47	160	104	161	74
MD & CEO remuneration	3.19	3.43	8.26	5.16	8.83	3.94

Considering the turnover of the Company and the experience and responsibilities of Mr. Akshat Seth, the remuneration paid/payable to him is reasonable and in line with remuneration levels in industry.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Except the remuneration and perquisites as stated above, Mr. Akshat Seth has no direct or indirect pecuniary relationship with the Company or managerial personnel. Further, he does not hold any shares in the Company.

III. Other information

(1) Reasons of loss or inadequate profits

During the year under review, the Company registered a revenue growth of 3.5% however, Profit before tax declined by 41% as compared to previous year mainly due to pricing pressure which emanated from intensifying competition in all categories and significant increase in cost of raw material viz. fibre, cement and volatility in resin prices. Further, interest cost for the financial year 2023-24 has increased due to rise in borrowing cost.

(2) Steps taken or proposed to be taken for improvement

(a) The Company is leveraging its expertise and experience and investing continuously to build strong momentum towards growth and expansion of its business. 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.

(b) There have been continuous efforts to manage the cost and profitability through improved contribution margins driven by lower raw material and freight costs and sourcing excellence.

(c) The Company is employing various means to reduce the impact of rising costs through building long-term partnerships with its suppliers, reducing the risk of price fluctuations. The Company has mapped and developed its extensive vendor base globally to insulate itself from any geopolitical instability. The Company has built a global network of suppliers that allows global diversification of supply sources and unhindered logistical movement of its inventory. Several other cost saving initiatives and operational improvements have been executed.

(d) The workforce contributes extensively to the growth of the Company. The Company has invested in infrastructure to ensure incident-free working environment and mitigate occupational hazards.

(e) The acquisition of Crestia Polytech Pvt. Ltd. and its group companies, has further enhanced Company's brand strength in pipes & fittings business in several key markets. The acquisition offers immense growth potential.

(3) **Expected increase in productivity and profits in measurable terms**

The Government's increasing focus on modernising and further strengthening the country's infrastructure, will have a significantly positive impact on the building materials sector as the construction activity gathers pace across segments. Further, with the above initiatives and many more, it is expected that the profitability in the coming year is likely to improve.

Mr. Seth along with his relatives does not hold any shares in the Company nor has any relationship with any of the Directors or Key Managerial Personnel of the Company. Mr. Seth has been granted 36,603 stock options convertible into equivalent number of equity shares of the Company on or after July 17, 2024 to the extent of 14,641 stock options and remaining 21,962 stock options on or after April 1, 2025, as and when exercised by him in terms of the Employees Stock Option Scheme 2023.

Mr. Seth is directly concerned and interested in this resolution, as it relates to his remuneration. Except Mr. Seth, no other Director or Key Managerial Personnel of the Company and their relatives are in any way, either financially or otherwise, concerned or interested in the proposed resolution.

The Board recommends the special resolution set forth at Item no. 5 of the Notice for the approval of the members.

Item No. 6:

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company, at its meeting held on May 7, 2024 based on the recommendation of the Audit Committee, appointed M/s. S.S. Zanwar & Associates, Cost Accountants in Practice (Firm Registration No. 100283), as Cost Auditors of the Company to conduct audit of its cost records for the financial year 2024-25, at a remuneration of ₹ 8 lakh (Rupees Eight Lakhs only) plus other applicable taxes and actual travel, stay, conveyance and other miscellaneous expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors must be ratified by the Members of the Company. Accordingly, the consent of the members is sought for passing an ordinary resolution as set out at Item no. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, either financially or otherwise, in the said resolution.

The Board of Directors, in the interest of the Company, recommends the Ordinary Resolution set out at Item no. 6 of the Notice for approval by the shareholders.

By the order of the Board
HIL Limited

Nidhi Bisaria
Company Secretary
Membership No.: F5634

Place: New Delhi
Date: May 7, 2024

Details of Directors seeking appointment/re-appointment pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings.

Name of the Director	Mr. Chandrakant Birla	Prof. Janat Shah
Director Identification Number (DIN)	00118473	01625535
Age	69 years	65 years
Qualification	Graduation - Bachelor of Arts	Mechanical Engineer from Indian Institute of Technology, Mumbai and Fellow in Management from the Indian Institute of Management Ahmedabad
Date of first appointment on the Board of the Company	February 4, 1980	May 7, 2024
Nature of expertise in specific functional area	He is an Indian industrialist having rich business experience since 1978 and is a philanthropist. He is the Chairman of the CK Birla Group of Companies. CK Birla group is a conglomerate operating across home & building products, automotive & technology, healthcare and education etc.,	He is a leading authority in the fields of Supply Chain Management and Operations Strategy. His expertise includes design and develop decision-support systems for supply chain management.
Remuneration last drawn (Sitting fee and Commission for FY 2023-24)	₹ 10 lakh as sitting fee and ₹ 45 lakh as commission for FY24.	Not applicable
Remuneration proposed to be paid	Directors are entitled to receive remuneration by way of sitting fees for attending the meetings of the Board and Committees thereof of which membership, if any, is held by them, reimbursement of expenses for participation in the meetings and also commission on an annual basis, of such sum as may be recommended by the NRC and approved by the Board, subject to the overall limits as specified under the Act and the Rules framed thereunder.	
Number of Board meetings of the Company attended during the financial year 2023-24	8 (Eight) out of 8 (Eight) meetings	Not applicable
Directorships held in other Indian Public Limited Companies	1. Orient Cement Limited 2. Orient Electric Limited 3. Birlasoft Limited 4. Orient Paper and Industries Limited 5. National Engineering Industries Limited 6. AVTEC Limited 7. Neosym Industry Limited	1. Secure Meters Limited
Memberships/ Chairmanships of Committees of Board of Indian Public Limited Companies in which he/she is a Director	1. HIL Limited a. Nomination and Remuneration cum Compensation Committee – Member 2. Orient Electric Limited a. Nomination & Remuneration Committee- Member 3. Orient Cement Limited a. Nomination & Remuneration cum Compensation Committee- Member b. Implementation Committee- Member c. Fund Raising Committee- Member d. Employee Stock Option Allotment Committee- Member	1. Secure Meters Limited a. Audit Committee – Member b. Nomination and Remuneration Committee – Member 2. HIL Limited a. Audit Committee – Member b. Risk Management Committee - Member c. Corporate Social Responsibility Committee - Member

Name of the Director	Mr. Chandrakant Birla	Prof. Janat Shah
	4. Birlasoft Limited a. Stakeholder Relationship Committee - Chairman 5. National Engineering Industries Limited a. Nomination & Remuneration Committee- Member	
Listed entities from which he has resigned in the past three years	Nil	Prof. Shah ceased to be an Independent Director of Orient Cement Limited on account of completion of his term w.e.f. April 30, 2024.
Number of shares held in the Company including as a beneficial owner	51,376 equity shares of ₹10/- each.	Nil
Relationships between Directors inter-se or Manager and other Key Managerial Personnel of the Company	Spouse of Ms. Amita Birla , a Non-Executive Director of the Company.	No

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