

July 6, 2023

HIL/SE/2023-24/35

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

Scrip Code: 509675

NSE Symbol: HIL

Sub: Annual Report for the FY 2022-23

Ref: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir,

This has reference to our letter dated June 16, 2023 & July 6, 2023, please find enclosed the Annual Report of the Company along with the Notice of 76th AGM and other Statutory Reports for the Financial Year 2022-23. The same has been sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ Registrar and Transfer Agent/ Depositories as on June 30, 2023 and can be accessed at <https://hil.in/wp-content/uploads/2023/07/Annual-Report.pdf>

Kindly take the same on record.

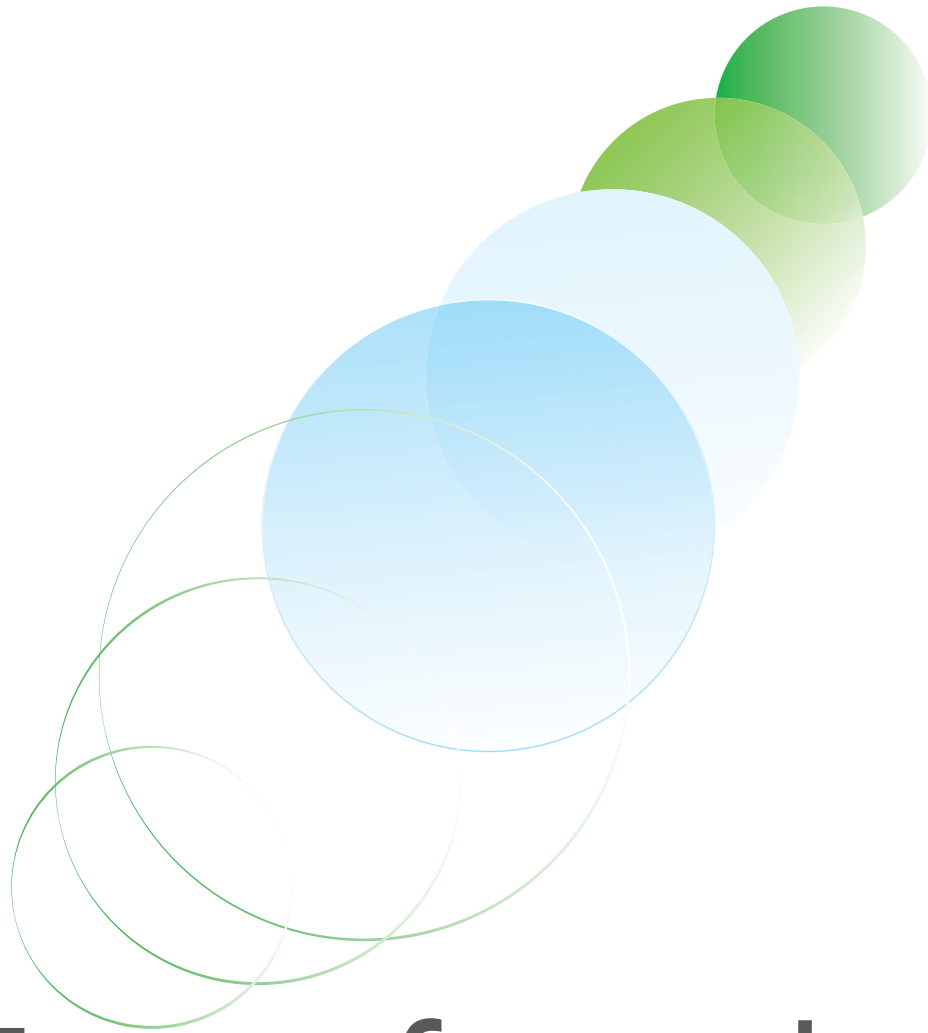
Thanking You.

Yours faithfully,

For HIL Limited






Saikat Mukhopadhyay
Chief Financial Officer

Encl: as above



Transforming T O D A Y Redefining T O M O R R O W

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TRANSFORMING TODAY REDEFINING TOMORROW

HIL, over 76 years, has built a proud legacy of consistent value creation and a reputation for being a responsible corporate citizen. In this remarkable journey, our core values of customer focus, integrity and sustainability have been our north star. In a world that is rapidly evolving and a marketplace that is beyond predictions, this legacy gives us the strength of conviction and the confidence to reimagine the future.

The theme of this annual report "Transforming Today, Redefining Tomorrow" encapsulates this spirit of change to shape a bold, new future while staying true to our legacy of value building growth. It emphasizes the importance of staying ahead of the curve, leveraging cutting edge technologies and fostering a mindset that challenges the status quo.



The CK Birla

With an experience of over 160 years, we embark on a journey towards an even more promising future.

The CK Birla Group is a diversified US \$2.9 billion conglomerate with a fast-growing global presence. With over 30,000 employees spread over 46 manufacturing facilities and 21 service delivery locations, the group has a footprint in 5 continents across six industries: Automotive, Technology, Home and Building, Infrastructure, Healthcare and Education.

Group

A signature of the group is its commitment to excellence, evident in its pursuit of the latest technologies and industry best practices. The CK Birla group is proud to count among its longstanding clients and partners some of the most renowned companies in the world.



**\$2.9
billion**



30000+

About HIL

HIL, for over seven decades, is a trusted leader in the Home and Building solutions industry, offering sustainable products and innovative solutions to meet the evolving needs of customers worldwide.

We believe our design thinking and our obsession with product excellence offers a differentiated proposition to our customers – fulfilling their evolving needs with an assurance of quality and safety. This proposition is truly reflected in our portfolio of brands that are leaders in their respective segments.

We deliver this proposition by leveraging the power of technology and a diversified talent pool to reimagine not only the way we work but also the products and solutions we provide. Our strong product innovation and R&D capabilities, our state-of-the-art manufacturing facilities and our extensive distribution network spanning over 80 countries bring this proposition closer to our customers, globally.

Comprehensive portfolio of Building Solutions



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

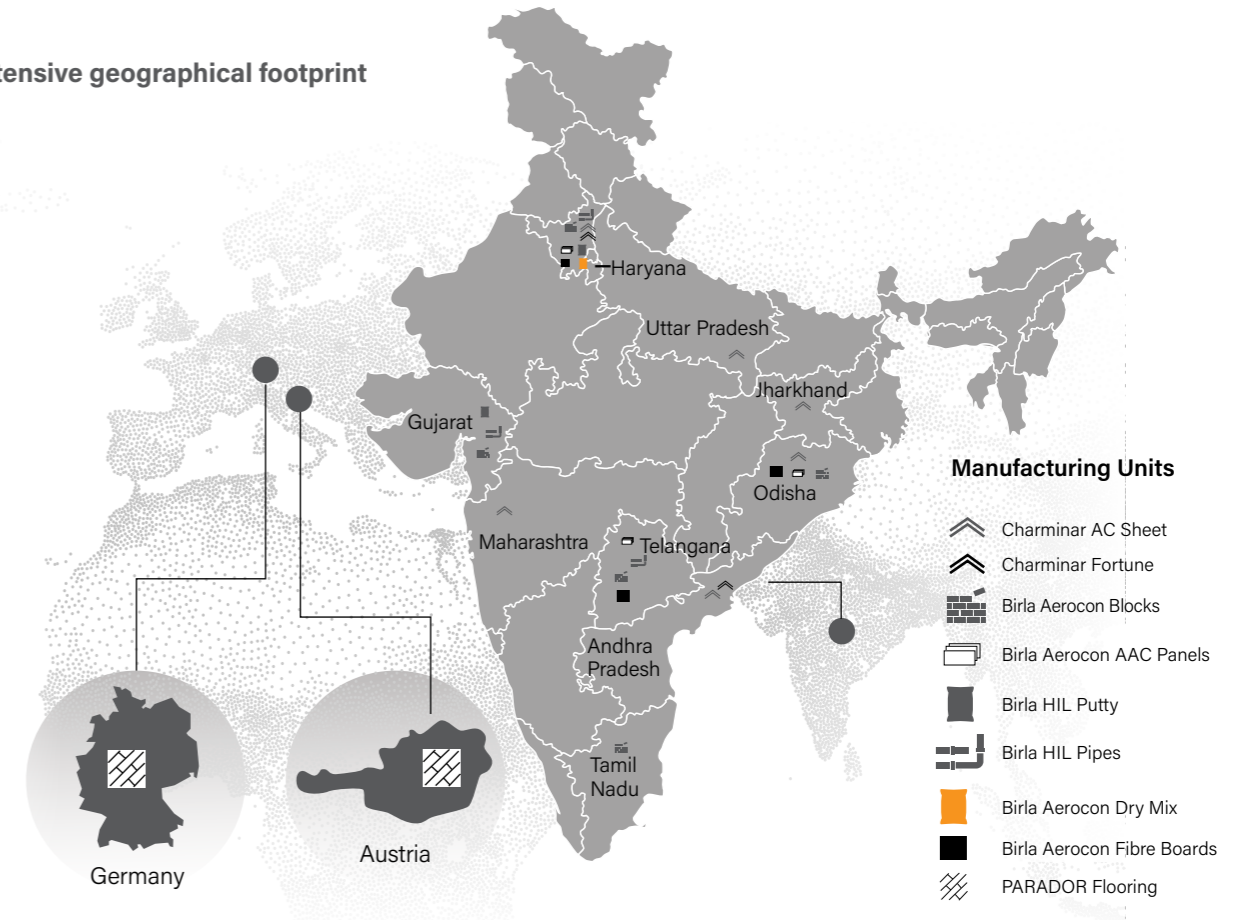


Accountability



Respect

Our extensive geographical footprint



Financial highlights (Consolidated basis)

₹3479 crore

Revenue

₹248 crore

EBITDA

₹97 crore

Profit After Tax

Operational highlights

27

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

42

Sales depot with 4 sales office

3500+

Stockists/Distributors

20000+

Retailers

80+

Countries of presence

ESG highlights

93%

Employee Engagement Score

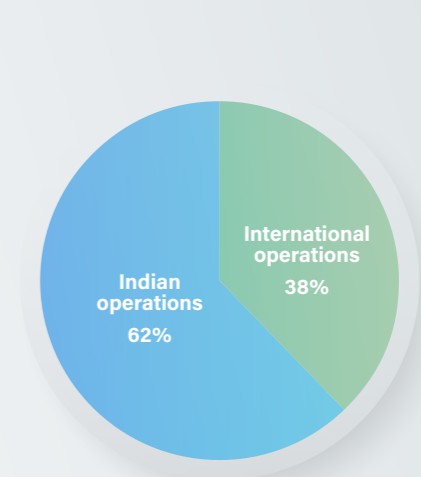
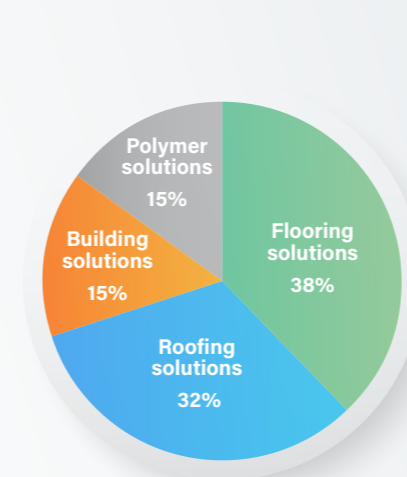
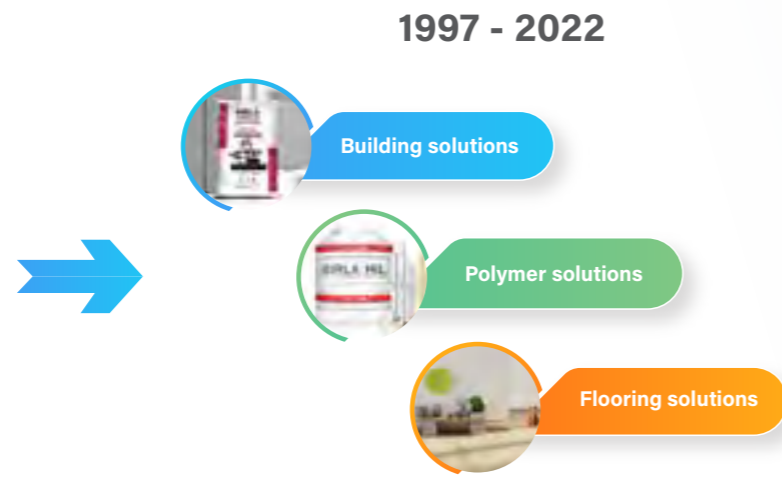
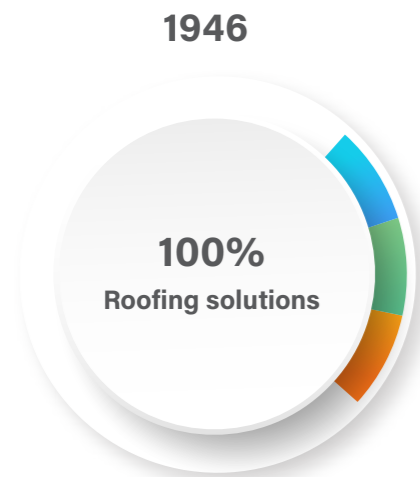
₹343 Lakhs

CSR spent in FY 23

03

Independent Directors on Board

Legacy of delivering consistent value creation



* Revenue share in %

Chairman's message

As a responsible corporate entity, we understand the significance of Environmental, Social, and Governance (ESG) factors in driving sustainable and ethical business practices.



Dear Shareholders,

I write to you at the conclusion of a pivotal year in this journey of transformation for HIL.

Having seen HIL over the years, I am full of pride for what we've accomplished, and excitement about our future. We are sharply focused on value creation by enhancing our existing offerings, by diversifying our portfolio and going after new markets in India and internationally. We are in the midst of a huge exciting transformation, the business landscape and the ways of doing business and creating value have evolved: and in response we are becoming fitter and more agile, combining the power of technology, best in class manufacturing capabilities and a diversified talent pool. We remain committed to reimagining the way we work and the solutions we provide for our customers, and digitisation of business processes is enabling far more agility in doing that.

A significant part of HIL's transformation story this year has been marked by a change of leadership. We brought on board our new MD and CEO Akshat Seth. His outside in perspectives and experience as a brand builder, along with his eye for detail, process and capability building make him uniquely able to not only spot opportunities, but convert them. He will be a strong asset as we build on our legacy and take the company forward.

In the midst of prevailing global headwinds, India emerged as a shining beacon of robust growth during the fiscal year 2022-23. The sound domestic macro fundamentals, focused fiscal policies aimed at capital expenditures, healthy balance sheets of the corporate and financial sectors, and the implementation of structural reforms by the government have collectively strengthened the resilience of our economy, propelling our growth momentum forward.

At HIL too, the year was marked by many significant turning points taking us closer to our vision of becoming

one of the most admired brands in the Home and Building segment globally. So much has gone right as we work with diligent focus on inner transformation, reorganising ourselves to create efficient teams and deliver innovative, sustainable products.

Despite a volatile macro environment and continuing geopolitical unrest, HIL has delivered a robust, well rounded performance across key metrics during FY 2022-23. The company registered a consolidated revenue of ₹ 3479 Crores with an EBITDA of ₹ 248 Crores during the financial year. This is also the first time we crossed ₹ 2000 Crores mark on a standalone basis. I want to thank everyone of HIL's 1745 professionals who have helped create immense value for our stakeholders.

Across Roofing, Building & Polymer solutions, our relentless focus on product diversification, deeper market penetration and driving efficiencies have delivered encouraging results. For instance, we make over 1500 SKU's of differentiated pipes and fittings in the Plumbing products portfolio, and this is growing. Our new Construction Chemicals business has a solid base and offers us both revenue and margin growth as a company. This year we have also made strategic investments with the commissioning of a high tech production unit in Thimmapur for Foam core pipes and the acquisition of FastBuild. We have, and will continue to further strengthen our market leadership in the Roofing segment. Our customers and partners are key, and we continue to deepen our connect with them so as to serve them better.

Parador, our flooring business in Europe was faced with uncertain demand, presenting us with a challenging year. However, leveraging the inherent strengths of our product design, innovation and quality, we were proud to witness Parador outperforming its peers in the market. We look forward to innovating and expanding our product lines, expanding beyond our existing markets and grow

further in the Middle East, Asia, North America and Western Europe. On a positive note, we observed an easing of cost pressures and a gradual uptick in demand during the fourth quarter, as well as in the early months of April and May.

As a company that cares for people and the communities we work in, we believe Environmental, Social, and Governance (ESG) factors are not just a responsibility but a core part of our strategy and operations. Our focus is firmly on energy efficient measures, waste reduction and the promotion of eco friendly materials to minimise our environmental footprint, creating long term value for our stakeholders. Our CSR philosophy is led by our ethos to serve. This year we supported organisations in the fields of education and environmental conservation.

Our inspirational legacy is further emphasised by our greatest asset: our people. Talent remains at the heart of everything we do, and we pride ourselves on building a culture that is based on trust, inclusion, community and excellence. We commit ourselves to creating a more diverse workplace, one where different voices are respected and represented so that a variety of opinions are on the table.

HIL's recognition as a "Great Place to Work" for the 5th year in a row and being placed 27th among India's top 100 in a year, is a testimony to our culture and values that bind our people close to us.

HIL continues to pursue a bold ambition and chase goals with agility: learning and moving ahead purposefully.

On behalf of the Board of Directors of HIL, my sincere thanks to all our stakeholders for your unwavering support and continued trust.

Warmly,

CK Birla
Chairman

Managing Director & CEO's Message



At a consolidated level, HIL reported a revenue of ₹3479 Crores, with a PBT of ₹117 Crores in FY2023

Building on the platform of robust performance

At a consolidated level, HIL reported a revenue of ₹ 3479 Crores, with a PBT of ₹ 117 Crores for FY2023.

Within this consolidated picture, HIL India delivered its highest ever standalone revenue of ₹ 2155 Crores, crossing the ₹ 2000 Crores milestone for the first time and representing a healthy 9% growth over previous financial year. The PBT was ₹ 164 Crores.

The Roofing solutions business delivered its highest ever revenue of ₹ 1115 Crores, clocking a healthy yoy growth. We have extended our No.1 position in the market with significant improvement in volumes and pricing during the year, driven by the Charminar brand that carries a 75 year + legacy of trust. We remain at the cutting edge of product quality and innovation and are deepening our distribution and reach to the remotest corners, including through leverage of digital tools and e-commerce.

The Building solutions segment remains a key pillar of our thrust on value building growth. Running at near 100% capacity utilization, we grew our top line by 27% yoy to cross the ₹ 500 Crores mark for the first time in FY2023. Strong efforts in driving operational & logistics efficiencies is delivering significant gains in profitability – we crossed the 9% profitability mark. And this trend of higher profitability is likely

We enjoy market leadership in India's growing Home and Building products industry. India remains one of the few stable, growth economies in the post-Covid world – newer products and deeper market penetration will be our success mantra for India.

In Europe, the apparent "normalization" of the geo-political uncertainties has meant stabilization of supply chains and commodity and energy prices. Tighter monetary and interest rate regime will mean softer demand in key European markets in the short run – this will accelerate our efforts to globalize and to go after attractive growth markets beyond Europe.

Dear Shareholders,

In this note, my first to you since assuming this role at HIL, it is my privilege to share our performance for FY2023 – a performance that demonstrates HIL's inherent agility, responsiveness, and resilience. I will also outline how we are transforming HIL towards an era of fast-paced, value building growth.

Our excitement and conviction in HIL's prospects stem from the enormous opportunities our product-markets offer. This is despite headwinds last year originating from the uncertain geo-political situation in Europe, inflationary pressures on raw materials in India and the unprecedented volatility in PVC resin.

As a responsible corporate entity, we place strong emphasis on our ESG governance structure comprising Corporate Social Responsibility and Sustainability Committee, ESG Steering Committee & ESG Working Group

to continue. We will push the growth agenda in this segment through both organic and inorganic means.

Within the Polymer segment, our Plumbing solutions achieved an impressive 23% volume growth in FY2023 in a market that witnessed "once in a generation" volatility in PVC resin prices. We are aggressively growing our channel reach and investing to expand our product range – we already have a portfolio of nearly 1500+ SKUs of Pipes and Fittings. Not only are we expanding the breadth of our product portfolio, but also seeking differentiation. For instance, we have recently entered the underground drainage segment by commissioning a state-of-the-art manufacturing line for "Foam core" pipes at our Thimmapur plant.

Construction Chemicals is our exciting new foray in a space which offers both high growth and profitability. During FY2023, we have built a solid platform with a diverse product assortment, proprietary recipes, strong vendor partnerships and a dedicated team. This suite of products takes forward our play in Putty – a segment that has grown steadily for us. At an aggregate level, we clocked revenue of ₹ 30 Crores in FY2023 in this segment. Sustained focus on product R&D and creating a strong customer pull will be the levers for establishing a pan India foot-print over the next 1-2 years.

At Parador, we reported a revenue of ₹ 1324 Crores for FY2023. The

geo-political crisis, high inflation and uncertain demand presented a challenging market in Europe during the year. Sharp focus on demand fulfilment and costs while leveraging inherent strengths of our product design, innovation and quality meant Parador outperformed peers in that market.

As the cost pressures start easing out and demand picks up this year, we are optimistic of Parador's prospects. We remain committed to deepening the Parador brand presence beyond Central Europe to other parts of Western Europe, North America, Middle East and Asia.

Investing to redefine tomorrow

At HIL (both in India and at Parador), we believe that our product segments and the markets we play in, offer a significant headroom for "value building growth"

In line with this belief, we are investing in capabilities that will enable us to realize this growth potential. We are investing in our Brands and building a deeper connect with our customers and consumers. We are investing in People – building capacity and competency of our teams on the shop-floor, at the frontlines and in our R&D centres. We are investing in modernizing our Manufacturing facilities and R&D to drive quality and innovation in our products.

To fund these investments, we have doubled up our focus on value extraction. We are driving operational efficiencies and continuous

improvement in our cost structure by digitizing our shop-floors with IoT 4.0 based solutions, using data and analytics to drive decision-making and by organization wide application of lean six sigma principles.

Growing with people, sustainably

Our People define HIL - our achievements are driven by the sterling contribution of our teams. 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. It is these strong cultural attributes that make HIL amongst the 100 Best Companies to Work For in India (and #1 in our industry cohort).

As a responsible corporate entity, we place strong emphasis on our ESG governance structure comprising Corporate Social Responsibility and Sustainability Committee, ESG Steering Committee & ESG Working Group. Many of our products have obtained green certifications such as GreenPro and we are working to align our emissions with various guidelines.

We are grateful to all of you – our customers, partners, teams, stakeholders – for your unwavering support, especially in this phase of transformation as we build the foundation for an exciting future.

Road ahead

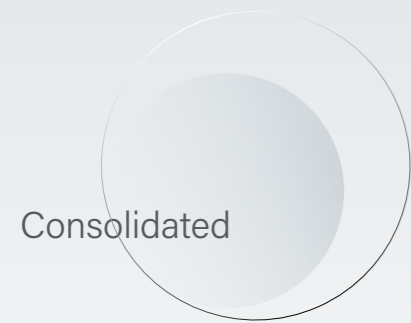
In conclusion, short-term headwinds aside, the fundamentals and prospects of HIL's business remain attractive and we are on course to achieve our FY26 ambition of \$ 1bn turnover with robust profitability.

Together, we are poised to make HIL one of the most admired brand in the Home and Building segment, globally.

Regards

Akshat Seth
MD & CEO

Financial highlights

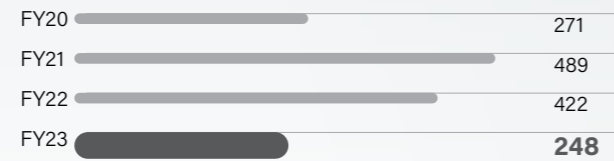


Consolidated

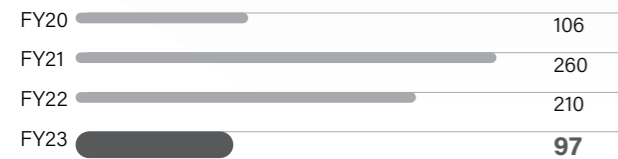
Revenue (₹ Crores)



EBITDA (₹ Crores)



PAT (₹ Crores)



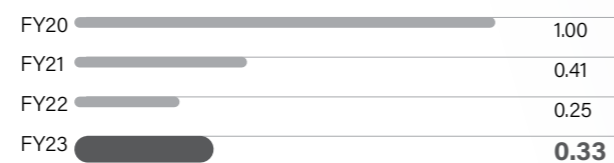
Net worth (₹ Crores)



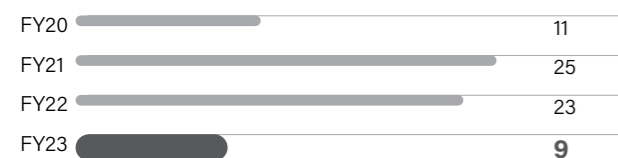
Share of roofing segment revenue (% of total revenue)



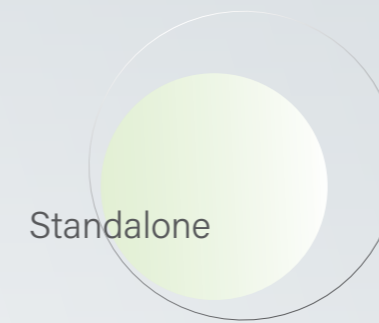
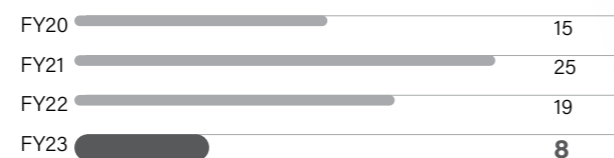
Debt equity ratio (times)



ROCE (%)

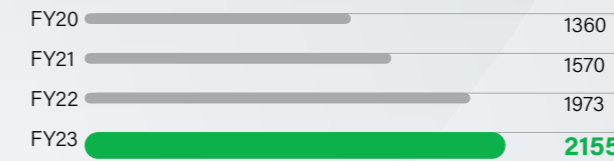


ROE (%)

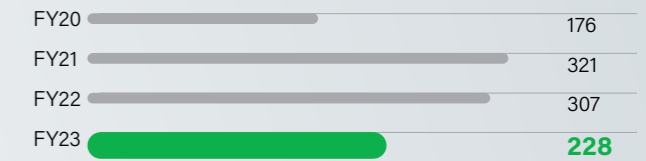


Standalone

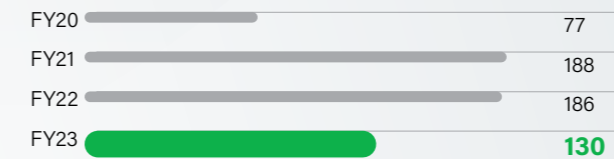
Revenue (₹ Crores)



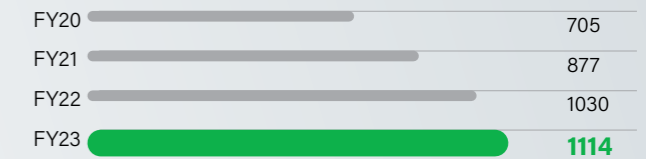
EBITDA (₹ Crores)



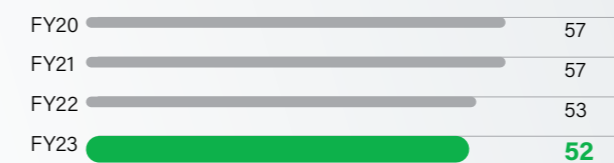
PAT (₹ Crores)



Net Worth (₹ Crores)



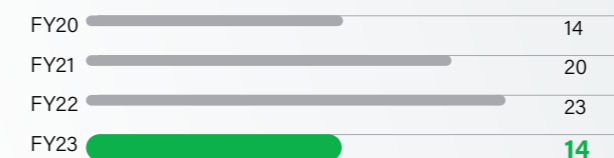
Share of roofing segment revenue (% of total revenue)



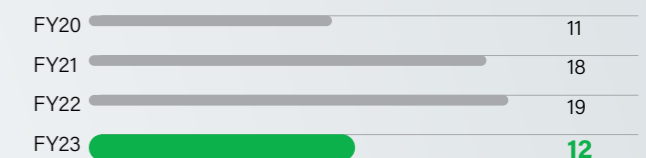
Debt equity ratio (times)



ROCE (%)



ROE (%)



Portfolio of customer offerings

Dedicated to being a comprehensive provider of home and building solutions, we have a portfolio of trusted brands that have a strong customer connect. Our commitment to design thinking and product excellence fulfils the evolving needs of our customers with an assurance of superior quality and value-based pricing.

Roofing solutions

Charminar, our flagship brand, dominates a 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 caters to all categories of customer preferences.

Brands



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.

Brands



Polymer solutions

Birla HIL Pipes has a wide range of plumbing solutions including CPVC, UPVC, Column Pipes, SWR and Pressure Pipes and fittings ideal for household, industrial and commercial applications. These pipes are eco-friendly and anti-microbial making them a suitable solution for carrying drinking water.

Birla HIL Putty is made using cutting-edge TRUE COLOUR Technology. This innovative & technically superior process enables the true reflection of the colours of the selected paint shade.

Brands



Construction Chemical solutions

HIL has expanded its product portfolio to Construction Chemicals to include tile and stone fixing solutions, waterproofing, dry mix & repair solutions, protective and decorative coats and many more products.

Brands



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 across the world.

Brands

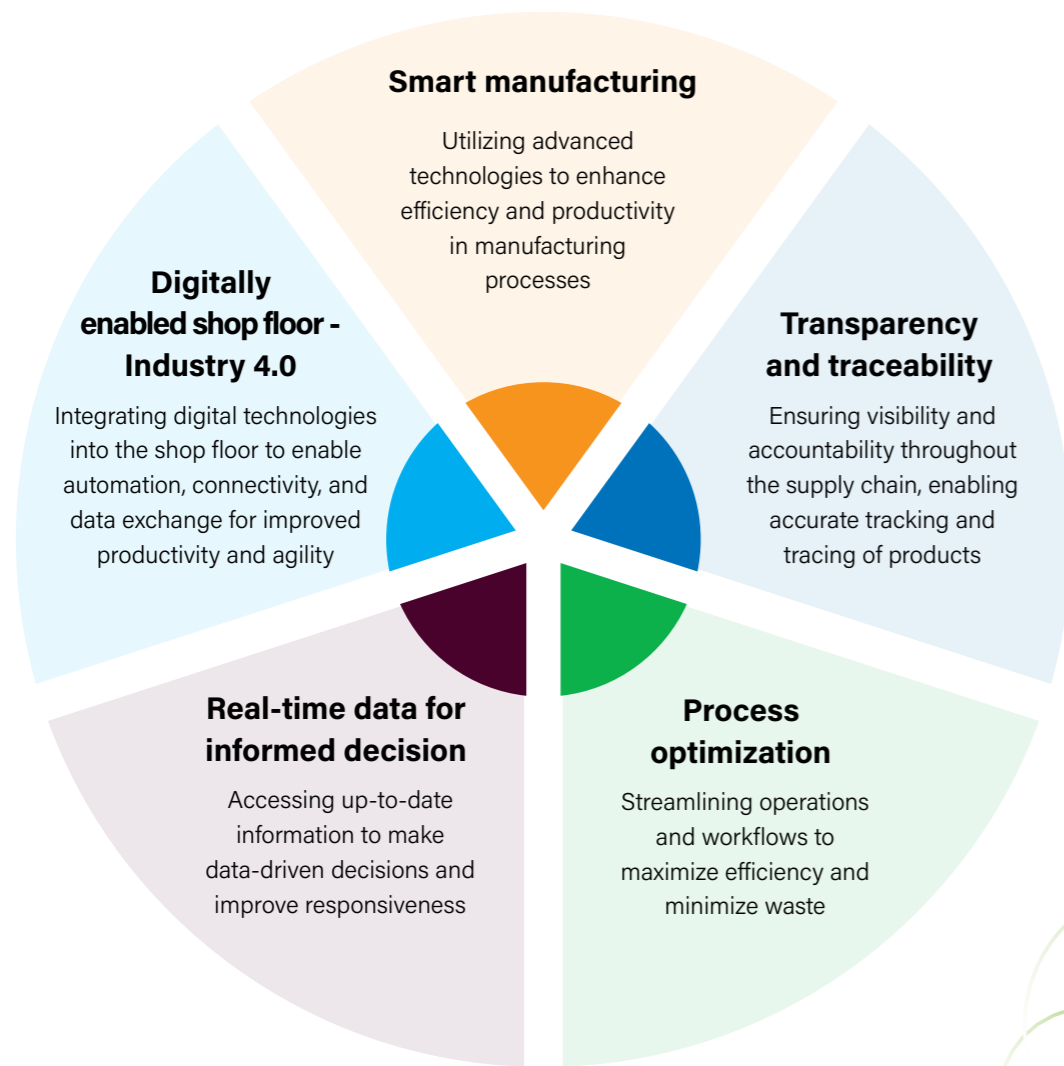
PARADOR

Technology and digitisation

Leveraging technology for growth and efficiency

Technology at a glance

We leverage technology to drive operational efficiencies, data and analytics led decision-making and to digitize our shop floors with IoT 4.0 based solutions.



Digitisation at HIL

- Implemented a robust Transport Management System to effectively monitor the delivery of orders to our valued end customers
- Deployed innovative solutions, to drive operational excellence, including;
 - Predictive maintenance, ensuring enhanced reliability and availability of our systems
 - Predictive Quality, enabling us to proactively identify and address potential defects in before they occur
- Implemented Business Intelligence Dashboards, providing access to key performance indicators (KPIs) essential for effective decision-making processes
- Connected 15 of our shop floors using an advanced Industrial Internet of Things (IIoT) platform, for real-time monitoring and analysis of data
- Integrated Robotic Process Automation, reducing mundane activities and enabling our workforce to focus on more strategic initiatives



Strategic Digital Finance Transformation

Digital finance is becoming a transformative force at HIL, with several initiatives implemented to bring finance and business closer and drive better customer experience which includes below:

- Setup in-house shared services
- Rollout of RPA BOTs
- Digitation of sending the balance confirmations
- Form 26 AS tool to reduce mismatches in ITRs filings
- Freight invoice processing

Digital Twin Technology

A digital twin has been created for one of our plants. This AI tool analyses data on raw material availability and recommends operating parameters and consumption levels to meet targets effectively

Ensuring Data Security

We have implemented robust security measures, ensuring 99% uptime for critical IT services, and conducting regular security assessments and testing to proactively address vulnerabilities.

A comprehensive incident response plan is in place to address security breaches promptly, minimizing the impact on critical systems and data



Human Capital

Enabling work-culture for an inspired work-force

At HIL, we nurture a culture of belonging and pride among our employees, valuing them as essential drivers of our success. Our philosophy of 'ONE HIL' ensures a responsible, respectful, inclusive and empowering environment for our team.



Learning and development

With people at the heart of everything we do, we run a comprehensive calendar of talent and leadership development initiatives.

These initiatives include:

- Signature programs
- Coaching interventions
- Other interventions aimed at upskilling and reskilling our workforce

12000+

Training manhours

28000

man-hours of EHS training

Our focus is on providing product and sales-specific training for our sales team, operational excellence programs for our manufacturing workforce, and online self-paced competency-based learning opportunities including for digital skills, among other initiatives.

Our career progression program, named "UDAAN," conducted "Career Development Conversations" for over 60 senior leaders within HIL. Objective is to support the growth and progression of our talented employees within the organisation, ultimately contributing to higher employee retention rates.



Transparent employee communication

Various initiatives, such as regular town halls led by the Managing Director and CEO, open feedback sessions, MD Connect, and other employee engagement programs, are implemented at regular intervals to facilitate effective employee connectivity. Our Chairman and Managing Director actively engage with employees, fostering a culture of open communication and addressing their needs and concerns.

JOSH

Our employee engagement program, known as JOSH, incorporates a range of enjoyable engagement activities to create a vibrant and healthy work environment. These activities include festive celebrations, sports events, healthcare initiatives, cultural nights with family, and more. These programs have fostered a holistic work environment that prioritizes employee well-being and satisfaction.

Holistic

work environment



Employee engagement

Creating a healthy and inclusive workplace is a top priority for HIL, and engaging with employees plays a vital role in achieving this objective. Over the past year, we have implemented a range of employee engagement initiatives aimed at fostering greater participation and involvement among our workforce.

Great Place To Work®

We have received the 'Great Place to Work®' certification for the fifth consecutive year for FY 2023-24. This recognition serves as a validation of our continuous endeavour to foster and sustain a workplace culture that is characterised by trust.

Our trust index score, which stands at an impressive 93, underscores the pivotal role that trust plays in nurturing a culture that promotes excellence and high performance. This prestigious accolade reaffirms our commitment to cultivating a work environment that is both conducive to trust and conducive to achieving exceptional outcomes.

India's Best Companies To Work for™, ranked at 27

India's 25 Best Workplaces in Manufacturing 2023

India's Best Workplaces in Cement and Building Materials 2023

India's 50 Best Workplaces in Building a Culture of Innovation by All 2023

93

Trust index score



Yashotsav

To streamline our employee Rewards & Recognition events, we have introduced a comprehensive platform called "Yashotsav" wherein employees across all plants and offices are acknowledged and rewarded for their contributions, under a unified approach.



Environmental, Social and Governance (ESG)

Sustainability in action

HIL is committed to promoting and upholding the principles of Environment, Social and Governance (ESG) practices as integral components that enable responsible business conduct and create sustainable value for all stakeholders. As pioneers in the industry, we understand the gravity of climate change and its effects on people, our operations and society as a whole, and we are committed to using innovative methods to protect and conserve energy and the environment.



Environmental

Climate change is a major concern for our collective future, and we have adopted a number of initiatives to minimise our ecological footprint. We focus on energy management, raw material sourcing, waste management and innovation as key levers to create a positive impact. We have adopted a regime of continuous improvement in operational efficiency and implemented the 3R principle (reduce, reuse, recycle) throughout our plants.



Waste management

To reduce waste generation, we have implemented various initiatives such as optimising the manufacturing processes, minimising the use of packaging materials and promoting the use of eco-friendly products. We also encourage our suppliers and vendors to adopt sustainable practices and reduce waste at their end. Our unwavering adherence to relevant legislation ensures proper handling and management of waste at our manufacturing facilities.

Product Innovation

Our product innovation efforts, for the last several years, are indexed around creating the next generation of building materials and solutions that are eco-friendly and at a larger scale help drive sustainable construction practices. Our products have been trendsetters in this regard and have GRIHA, IGBC, GreenPro certification.

360 tCO2e

Mitigated emissions
by utilizing renewable power sources



Social

HIL's commitment to social responsibility is a critical pillar of our overall sustainability strategy. We recognise the importance of promoting and upholding ethical values, protecting human rights, and supporting the communities where we operate. At HIL, we prioritise activities and initiatives that positively impact the social well-being of our employees, customers, suppliers, and other stakeholders.



Community

We are committed to CSR initiatives that benefit the underprivileged sections of rural India, and we endeavour to promote social equity through our continuous engagement with these communities.

As responsible corporate citizens, we follow all the standards and regulations set forth by the Companies Act 2013 (CSR). Through our dedication to creating social value and equitable opportunities for all members of the community, we aim to foster a thriving, sustainable society.

₹343 Lakhs

CSR expenditure



Governance

We firmly believe in upholding the interests of our stakeholders through a robust and transparent governance system.

We have implemented a well-structured corporate governance system to ensure that all sustainability issues are effectively addressed. Our commitment to sustainability is evident through periodic discussions at the board level, emphasizing its importance. Transparency and ethical behaviour are integral to our operations, and to uphold these values, we have established various policies including a code of conduct, a whistleblower awareness policy, and measures to prevent workplace harassment. We are dedicated to developing policies that support sustainability in every aspect.



Board of Directors



CK Birla

Chairman

Chandra Kant 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, the advancement of Science and technology, Art and Culture.



Desh Deepak Khetrpal

Non-Executive Director

Khetrpal holds Honours degree in Business & Economics and Master's degree in Business Administration in Marketing and Finance from Delhi University. He is a professional business leader with a proven track record of leading sustainable transformation in large and diversified organizations, across various Industries including services, manufacturing, consumer and retail businesses with a focus on ESG and climate change.

Mr. Khetrpal is the Managing Director and CEO of Orient Cement Limited and his previous positions include the Group Chief Executive Officer of Jumbo Group of Companies and Whole time Director/Group COO at Raymond Limited.



VV Ranganathan

Independent Director

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

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 recognized as one of the Asia's Top 15 Litigators by Asian Legal Business. She has recognized as 'Litigation Star' by Benchmark Litigation and also recognized as 'Distinguished Practitioner' by AsiaLaw. She is currently running her own private practice.



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.



Akshat Seth

Managing Director (MD) & Chief Executive Officer (CEO)*

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.

*CEO w.e.f. February 1, 2023 & MD w.e.f. February 11, 2023

Awards and achievements



Corporate information

Board of Directors

- CK Birla**
Chairman
- Desh Deepak Khetrpal**
Non-Executive Director
- VV Ranganathan**
Independent Director
- Gauri Rasgotra**
Independent Director
- Arvind Sahay**
Independent Director
- Akshat Seth**
Managing Director & CEO*

Dhirup Roy Choudhary
Managing Director & CEO
(till January 31, 2023)

Key Managerial Personnel

Saikat Mukhopadhyay
Chief Financial Officer
(w.e.f. July 29, 2023)

KR Veerappan
Chief Financial Officer
(till May 10, 2022)

Mahesh Thakar
Company Secretary & Head Legal
(till January 27, 2023)

Bankers

- HDFC Bank Limited
- The Hongkong and Shanghai Banking Corporation Limited
- Kotak Mahindra Bank Limited
- State Bank of India
- Federal Bank Limited
- ICICI Bank Limited

Statutory Auditors

B S R and Co
Chartered Accountants

Secretarial Auditors

P.S. Rao & 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: 040-2386 8257
Email id: info@vccipl.com
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
www.hil.in

Corporate Identification Number
L74999TG1955PLC000656

*Chief Executive Officer w.e.f. February 1, 2023 & Managing Director w.e.f. February 11, 2023

Board's Report

Dear Members,

The Board of Directors are pleased to present the 76th Annual Report on the business and operations of the company along with audited financial statements for the financial year ended March 31, 2023.

SUMMARY OF FINANCIAL PERFORMANCE

The financial performance of the company for financial year ended March 31, 2023 is summarised below:

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Total Income	2187.73	2005.45	3504.30	3550.68
Earnings Before Interest, Depreciation, Amortization & Tax	228.37	306.63	248.26	421.85
Less: Interest	6.63	4.51	19.57	12.61
Depreciation & Amortization	58.06	53.81	110.77	116.30
Profit Before Tax and Exceptional items	163.68	248.31	117.92	292.94
Add/(Less): Exceptional items / Profit / Income from JV	-	-	(1.19)	2.18
Profit before tax for the year	163.68	248.31	116.73	295.12
Less: Taxes	33.58	62.48	19.62	84.68
Profit after tax for the year	130.10	185.83	97.11	210.44
Other Comprehensive Income (Net of tax)	0.88	(0.39)	27.14	(7.56)
Total Comprehensive Income for the year	130.98	185.44	124.25	202.88
Basic Earnings Per Share (INR)	172.95	247.73	129.09	280.54
Diluted Earnings Per Share (INR)	172.91	246.12	129.06	278.72

REVENUE

The company achieved a net revenue from operations on standalone level at ₹ 2155.20 Crores as against ₹ 1973.48 Crores in previous financial year, which is an increase of 9.21%. At the consolidated level HIL registered a net revenue of ₹ 3478.96 Crores as against ₹ 3520.24 Crores in the previous year recording a marginal decline of 1.17%.

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

INTEREST & LOANS

Interest cost for the financial year 2022-23 has increased to ₹ 6.63 Crores at a standalone basis as against ₹ 4.51 Crores during the previous year. On a consolidated basis, interest cost for the financial year 2022-23 stood at ₹ 19.57 Crores as against ₹ 12.61 Crores 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, 2023 the company has outstanding borrowings ₹ 117.13 Crores on standalone basis and ₹ 407.45 Crores at consolidated level. Debt Equity ratio on consolidated basis stood at 0.33 times as on March 31, 2023 against 0.25 times as on March 31, 2022.

PROFIT BEFORE TAX

During the year under review, the company registered a standalone Profit Before Tax (PBT) of ₹ 163.68 Crores as against ₹ 248.31 Crores in the previous year, recording a decline of 34.08% mainly on account of increase in fibre, cement and volatility in resin prices.

Profit before tax on consolidated basis for the year 2022-23 stood at ₹ 116.73 Crores as against ₹ 295.12 Crores in previous year, recording a decline of 60.45%.

NET WORTH

On a consolidated basis, the Net Worth of the company as at March 31, 2023 stood at ₹ 1243.65 Crores as against ₹ 1166.43 Crores in the previous year.

The Consolidated earnings per share (basic) for the year ended March 31, 2023 stood at ₹ 129.09 per share as against ₹ 280.54 per share for the year ended March 31, 2022.

BUSINESS AND FINANCIAL PERFORMANCE

HIL commits to a path of progression to position itself as a one stop building solutions provider. On the business front, roofing solutions business delivered highest volume and revenue. The solution based approach enabled highest ever volume in the building solutions business. The polymer solutions business delivered a marginal growth due to severe volatility in input material cost. Owing to the on-going geopolitical crisis in Europe,

inflation has significantly gone up across many European Countries which has led to low sentiments at the market place. During the year, company laid down a strong foundation for the construction chemicals business by launching over fifty products in four different categories. HIL has a great opportunity in this segment to grab more opportunities.

Amidst strong headwinds due to material unavailability / price volatility, sea freight explosion and weak rural sentiments, revenues remained buoyant with stringent focus on new markets, expanding product base and getting the right product mix. The company's focus on new markets, expanding product base and getting the right product mix, helped in better realisations from the market. Strategic market mapping and in-depth tabs on each region, ensured that your company is on a growth trajectory and registered a 9% growth in domestic markets.

The challenges in Europe were stronger and affected Parador due to inflationary pressures on raw material prices as well as an increase in energy costs and sea freight. Due to lower demand, the overall business was negatively impacted.

ROOFING SOLUTIONS

HIL has enhanced its market leadership position during the year. Strong brand presence across rural India and focus on new dealer/sub-dealer recruitment as well as engagement activities and 'Digital Connect' helped boost sales while improving net sales realizations.

To cater to the rural demand in the first quarter, we focused on inventory & logistics planning and worked out aggressive dealer wise targets, which helped gain additional market share.

An aggressive channel acquisition strategy helped to add new counters during the year, enabling the roofing business to register a positive volume growth over the previous year. The company is confident to further consolidate its leadership position in this industry.

"Charminar" and "Charminar Fortune" brands continue to enjoy the trust of customers backed by company's enhanced customer-centric approach, unparalleled quality, superior after sales customer service, strong supply chain network and widely spread depots and dealer network.

BUILDING SOLUTIONS

The Building Solutions business consists of "Wet Walling" and "Dry Walling" solutions that caters to various requirements of building industries, commercial spaces and infrastructure segments. The government's thrust on infrastructure, health care and education segments helped us achieve a robust business performance during the year.

The company is aggressively focused on product specifications through the technical sales team to gain high-value projects in the infrastructure and health care segments. With a firm focus on realizations for the Building Solutions products, we carefully select the customers and locations we service in tier 2 & tier 3 cities.

In FY23, the company enhanced its capacity for AAC Blocks and Panels to meet the growing demand of customers. As part of company's long term growth strategy and in view of the increased in demand for AAC Blocks the company has expanded its presence in Eastern India market by way of acquisition of Fastbuild Blocks at Cuttack, Odisha. We also commissioned the panels' plant at Balasore, Odisha during the year.

HIL continues to be a comprehensive provider of quality products in the building materials space 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" is marketed under the brand name "BIRLA HIL". Polymer Solutions business grew marginally during FY23 amidst significant external headwinds. We focused on the expansion of our distribution network, added prestigious project accounts with esteemed builders / developers across India and also expanded our product portfolios. We continue to enhance our strong engagement with influencers i.e. plumbers & painters and also our retail marketing efforts to drive stronger brand preference.

Birla HIL Pipes

Birla HIL Pipes offers a wide range of plumbing solutions, including cPVC, uPVC, Column Pipes, SWR, Foam core, Pressure & UGD Pipes, Fittings and Water Tanks conforming to relevant IS or ASTM specifications. The company has a state of the art DSIR-approved R&D facility where in-house recipes are developed and innovations to improve quality are undertaken. BIRLA HIL Pipes and Fittings have a unique TrueFit™ technology that offers 100% leak-proof joints and enhances the value propositions for consumers. Continuing our expansion of our product portfolio, Foam core is a recent addition – these are multilayer pipes having outer and inner layers of conventional PVC and middle layer of foamed PVC.

During FY23, BIRLA HIL Pipes showed a robust volume growth of 22% over FY22, outperforming the industry growth. The company has grown ~7X in last 6 years in the Pipes & Fittings segment. This was enabled by strategic focus on tier 2 and tier 3 towns in retail segment. We also brought a focused approach on technical sales in B2B segment with marquee residential projects across India.

Birla HIL Putty

With superior quality, BIRLA HIL putty has created a strong and loyal customer base. We have added Gypsum Plaster and Waterproof Putty to our product portfolio to cater to our increased customer demand. BIRLA HIL Wall Putty made with cutting-edge "TRUE COLOUR" technology, is effective on all types of cementitious surfaces. We now have presence across India with a robust distribution network and a significant presence in tier 2 and tier 3 towns.

The company continues to drive strong engagement programs with channel partners and influencers via various on ground workshops. We continue to launch new ranges of product lines and application procedures. A dedicated loyalty programme for retailers and influencers has been initiated as a part of direct connect program where they can earn points and also redeem accumulated points for various gifts basis their business transactions.

FLOORING SOLUTIONS

This segment was strongly influenced by the global pandemic and then the ensuing crisis emanating out of the Ukraine war. These headwinds have been accentuated by a strong inflationary environment and disruptions in supply chain for both raw materials and finished goods. Interest rates have risen, impacting investments in the construction and real estate sectors. Both demand and the cost scenarios have been weak.

However, the outlook is cautiously optimistic. With the stabilization of supply chain and input costs, we are witnessing the first signs of stabilization. Further, measures taken by European governments will stimulate consumer sentiments. We will also continue to strengthen our presence in markets beyond Europe.

AWARDS & RECOGNITION

Super Brand Award 2022

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. "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 2022 by The Economic Times in Roofing Building Materials 2022. 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.

Asia's Most Trusted Brand 2022

IBC Info media recognized "Charminar" as Asia's Most Trusted Brand 2022 in recognition of years of trust built among its customers. 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.

Brand of the Year by Realty+

"Charminar" and "Birla Aerocon" brands are honoured as Brand of the Year at 7th Realty+ INEX Interior & Exterior Conclave Excellence Awards 2023. 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' for **Birla HIL Putty** at 7th Realty+ INEX Awards 2023, realty industry awards and conclave. These Awards recognized **BIRLA HIL Putty** for its 'exemplary performance and achievement' and 'contribution to making a positive difference in the Indian real estate industry'. Realty+ is the oldest and most respected real estate publication in the country. The event saw Indian and international architects and building product brand leaders joining to discuss the way forward for the design and construction industry.

BIRLA HIL Pipes was adjudged as the 'Most Trusted Brands' for 2023. This award from Team Marksmen recognizes the trust and quality standards instituted at BIRLA HIL Pipes.

BIRLA HIL Pipes was awarded as 'India's Most Trusted Brand' for 2022. 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.

Great Place to Work, 2023

The company has been certified as a Great Place to Work for the fifth time in a row for 2023-24 with an outstanding trust index score of 93 this year. HIL is ranked amongst:

- India's Best Companies To Work for™, ranked at 27
- India's 25 Best Workplaces in Manufacturing 2023
- India's Best Workplaces in Cement and Building Materials – 2023
- India's 50 Best Workplaces in Building a Culture of Innovation by All – 2023

CREDIT RATING

The credit ratings on Company's long term and short term facilities have been reaffirmed during the financial year by the respective credit rating agencies and the same is furnished below:

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

DIVIDEND

During the year under review, the Board of Directors declared an interim dividend of ₹ 20/- per equity share of ₹10/- each (200% of the paid-up value). The Directors are pleased to recommend a final dividend of ₹ 25/- per equity share of ₹10/- each (250% of the paid-up value) for approval of the shareholders at ensuing 76th Annual General Meeting of the company.

With the proposed final dividend, the total dividend for the financial year 2022-23 works out to be ₹ 45/- per equity share (450% of the paid-up value) as against the total dividend of ₹ 65/- per equity share (650% of the paid-up value) declared in the previous year.

As per Finance Bill 2020, dividend declared/paid after 1st April 2020 will be taxable in the hands of the shareholders. Shareholders are requested to visit www.hil.in/investor-relations for FAQs on dividend tax.

The total dividend for the financial year is ₹ 33.91 Crores and the company has transferred ₹ 10.00 Crores to the General Reserves out of the profits for the year. The Register of Members and Share Transfer Books of the company will remain closed from Saturday, July 22, 2023 to Monday, July 31, 2023, both days inclusive, for determining the entitlement of the shareholders for the final dividend for the financial year ended March 31, 2023 and for the purpose of AGM.

Pursuant to Regulation 43A of the SEBI (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 considers 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 transferred ₹10 Crores (Rupees Ten Crores only) to General Reserves.

SHARE CAPITAL

The paid-up equity share capital as on March 31, 2023 was ₹ 756.48 Lakhs. During the year under review, the company has issued 23,660 equity shares on exercise of options granted to eligible employees under HIL Employees Stock Option Scheme 2019 and further there was no other change on paid-up 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 2022-23 has been paid to these exchanges within the prescribed timelines. There was no suspension on shares of the company during the year.

During the financial year 2022-23, the issued and listed capital of the company has increased due to allotment of equity shares to eligible employees of the company on exercise of options granted under HIL Employee Stock Option Scheme, 2019 ("HIL ESOS 2019"). Further, the difference of 2224 equity shares of ₹ 10/- each between the issued capital and listed capital of the company as on March 31, 2023 was due to allotment of 2224 equity shares of ₹10/- each on March 10, 2023 to one of the eligible employees under HIL ESOS 2019 for which listing &

trading approval from BSE and NSE was received after March 31, 2023 i.e. on April 21, 2023 and the said shares are listed on both the Stock Exchanges w.e.f. April 24, 2023.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A Report on Management Discussion & Analysis is appended as 'Annexure I' to this report as per the requirements of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015.

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Dhirup Roy Choudhary (DIN: 07707322), who got re-appointed as Managing Director (MD) & Chief Executive Officer (CEO) of the company for a second term effective January 16, 2022 and whose re-appointment was approved by the members of the company at their 75th Annual General Meeting (AGM) held on July 29, 2022, resigned from the position of MD & CEO with effect from January 31, 2023. The Board approved his resignation at its meeting held on January 19, 2023 and placed on record its sense of great appreciation for the work done by Mr. Dhirup Roy Choudhary during his tenure as MD & CEO.

Consequent to the resignation of Mr. Dhirup Roy Choudhary, the Board of Directors of the company at its meeting held on January 19, 2023, based on the recommendations of the Nomination and Remuneration cum Compensation Committee ("NRC"), appointed Mr. Akshat Seth (DIN:10039820) as an Additional Director, Managing Director ("MD") & Chief Executive Officer ("CEO") of the company for a period of (5) five years with effect from February 1, 2023 at such remuneration and under such terms & conditions as agreed by the Board under the provisions of section 161, 152, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V thereof and the Rules made thereunder and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") subject to allotment of Director Identification Number (DIN) and the approval of the members of the company.

However, due to ongoing technical issues in the Ministry of Corporate Affairs (MCA) portal, the Director Identification Number (DIN) for Mr. Akshat Seth was pending for approval as on February 1, 2023. In the absence of the DIN, Mr. Akshat Seth assumed office as the CEO and a Key Managerial Personnel (KMP) of the company with effect from February 1, 2023 and the same was noted by the Board vide its Circular Resolution dated February 1, 2023. Subsequently, Mr. Akshat Seth's DIN application was approved by MCA vide its order ref. no. AA1241271 dated February 11, 2023 accordingly his appointment as an Additional Director and the Managing Director of the company was effective February 11, 2023 as per the resolution passed by the Board at its meeting held on January 19, 2023 read with Circular Resolution dated February 1, 2023. The Board took note of the same vide its Circular Resolution dated February 15, 2023.

Further, Mr. Akshat Seth's appointment as Director, MD & CEO (KMP) was also approved by the shareholders of the company

by passing resolutions under section 152, 196, 197 and other applicable provisions, if any, of the Act read with Schedule V thereof and the Rules made thereunder and Regulation 17(1C) of the Listing Regulations on April 4, 2023 vide Postal ballot Notice dated March 3, 2023.

In accordance with provisions of Section 152 of the Act and pursuant to Articles of Association of the company, Mr. Desh Deepak Khetrapal (DIN: 02362633) 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 required to be disclosed in accordance with Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Companies Act, 2013 and Secretarial Standards is 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 Section 149 of the Act, Mr. V V Ranganathan (DIN: 00060917), Ms. Gauri Rasgotra (DIN: 06862334) and Dr. Arvind Sahay (DIN: 03218334) are Independent Directors of the company. In terms of Regulation 25(8) of the SEBI Listing Regulations, they 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 has 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.

In opinion of the Board, there has been no change in 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 data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs, MCA. Independent Directors are not subject to retire by rotation. Independent Directors have also confirmed that they have complied with the company's Code of Conduct for Board members & Senior Management and Codes under SEBI (Prohibition of Insider Trading) Regulations, 2015.

During the year under review, Mr. KR Veerappan, Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) and Mr. Mahesh Thakar, Company Secretary & Head Legal and KMP of the company tendered their resignations w.e.f. close of business hours on May 10, 2022 and January 27, 2023 respectively. The Board places on record its appreciation for the valuable contribution and guidance of Mr. KR Veerappan &

Mr. Mahesh Thakar during their respective tenures. Mr. Saikat Mukhopadhyay, who joined as Head, Finance & Accounts on June 1, 2022, was appointed as Chief Financial Officer (CFO) & Key Managerial Personnel (KMP) of the company effective from July 29, 2022 under the provisions of section 203 and other applicable provisions if any of the Act and rules made thereunder.

In terms of provisions of section 203 of the Act, the following are the KMPs of the company as on March 31, 2023:

- a. Mr. Akshat Seth, CEO & KMP (effective February 1, 2023) and Director & Managing Director (effective February 11, 2023)
- b. Mr. Saikat Mukhopadhyay, Chief Financial Officer (effective July 29, 2022)

There were no other changes in composition of Board and Key Managerial Personnel of the company apart from the changes mentioned above. Further, the company is in process of identifying a suitable candidate and fill the vacancy caused to the position of Company Secretary within the prescribed timelines under the applicable provisions of the Act.

BOARD & COMMITTEES OF BOARD

The company has a professional Board with an optimum combination of executive, non-executive and independent directors including one 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 of the Act. Certificate on non-disqualification as required under Regulation 34 of SEBI Listing Regulations, is forming part of the Corporate Governance Report annexed to this report.

BOARD MEETINGS

During the year, Six (6) meetings of the 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. The date(s) of the Board Meeting and attendance by the Directors are given in the Corporate Governance Report forming part of this annual report. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Act and SEBI Listing Regulations.

COMMITTEES OF THE BOARD

The Board of Directors has the following 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 composition, number of meetings held and attendance at the meetings are provided in detail in the Corporate Governance Report annexed to this Board's Report.

All recommendations of the Audit Committee were accepted by the Board during the FY 2022-23.

BOARD EVALUATION

Pursuant to 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 Board, Committees of the Board, 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 Board, receipt of regular inputs and information, functioning, performance and structure of Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board meetings, leadership etc.

Based on the recommendations of the Nomination and Remuneration Committee, 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 SEBI Listing Regulations 2015, the following is the matrix of skills and competencies on which all 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 held on March 28, 2023, performance of Non-Independent Directors (NIDs), the Board as a whole and the Chairman of the company were evaluated, taking into account the views of the Executive Director and NEDs.

The NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The above criteria are broadly based on the guidance note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. In a subsequent Board meeting, the performance of the Board, its Committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding

the Independent Director being evaluated.

FAMILIARISATION PROGRAM FOR DIRECTORS

In addition to giving a formal appointment letter to newly appointed 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 Act and relevant Regulations of SEBI Listing Regulations, 2015 are given and explained to a new Director.

Pursuant to Regulation 25(7) of SEBI Listing Regulations, conducting familiarization programmes for the Directors in the company is a continuous process, whereby Directors are informed, either through presentations at the Board or Committee meetings, board notes, interactions or otherwise about industry outlook, business operations, future strategies, business plans, competitors, market positions, products & 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/investor-relations/familiarization-program/>

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 appropriate governance. The selection and appointment of Board members are done on the recommendation of the Nomination & 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 Act and 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 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 Company's stakeholders.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The brief outline of the Corporate Social Responsibility (CSR) policy of the company, details regarding CSR Committee and the

initiatives undertaken by the company on CSR activities during the year are set out in 'Annexure II' of this report in the format prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014. CSR Policy is available on the company's website on <https://hil.in/wp-content/uploads/2023/05/HIL-CSR-Policy-dt-09052023-Final-Approved-on-15052023.pdf>

ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the company for the financial year 2022-23 can be accessed through the web link on the company's website <https://hil.in/investor-relations/2023-annual-report/>

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Act 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, 2023, 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. We 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, 2023.
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts for the year ended March 31, 2023 has been prepared on a going concern basis.
- v. Proper internal financial controls were in place and that the financial controls were adequate and were 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 risk management plan / process of the company. The Risk Management Committee identifies potential risks, assesses their potential impact and takes timely action to mitigate the same.

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 key risks are managed across the organization. The Board monitors and reviews periodically 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 Risk Management Committee and its meetings are provided in Corporate Governance Report which forms part of this Report.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 of SEBI Listing Regulations, Corporate Governance Report for the financial year ended March 31, 2023, with a detailed compliance report thereon forms an integral part of this Report and is annexed herewith as 'Annexure III'. It also includes a certificate from the Statutory Auditors in respect of compliance with the provisions of SEBI Listing Regulations related to Corporate Governance.

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 Corporate Governance Report. The Whistle Blower Policy is available on Company's website and can be accessed through the web link <https://hil.in/investor-relations/policies/>

The complaints received under Whistle Blower Policy will be 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 were six complaints received during the year out of which five complaints have been resolved with appropriate action and one complaint is being investigated by the internal audit team.

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 2022-23 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 Companies Act, 2013 ('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 same is available on the Company's website at <https://hil.in/wpcontent/uploads/2023/02/Policy-on-Related-Party-Transactions-2022-for-website-1.pdf>

All related party transactions entered into during FY 2022-23 were on arm's length basis and in the ordinary course of business and 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. 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 one material related party transaction in terms of Section 188(1) of the Act read with the relevant rule. Accordingly, the disclosure of 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 as an 'Annexure IV'.

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.

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 financials 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. 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.

Based on the review, nothing has come to the attention of 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 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 2022-23 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 are presented periodically to the Audit Committee.

During the year under review, 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, as Cost Auditors of the company, to conduct the audit of the cost records of the company for the financial year ending March 31, 2024 at a remuneration of ₹8.00 Lakhs (Rupees Eight lakhs only) plus out of pocket expenses. 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.

During the year under review, Cost 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.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the 2013 and rules framed thereunder, Regulation 24A of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 and rules framed thereunder, the Board of Directors, on recommendation of the Audit Committee, appointed M/s. Ranjeet Pandey & Associates, Practising Company Secretaries, New Delhi, to undertake the secretarial audit of the company for the financial year ending March 31, 2024. Pursuant to Section 139 and 141 of the Act and relevant Rules prescribed thereunder, the company has received a certificate from the Secretarial Auditor, 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 Auditor 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. P.S. Rao & Associates, Company Secretaries for the financial year ended March 31, 2023 is given in 'Annexure V' attached hereto and forms part of this report. The report does not contain any qualifications, reservations or adverse remarks.

The company has undertaken the audit for the financial year 2022-23 for all applicable Securities and Exchange Board of India ("SEBI") compliances as per circular dated February 8, 2019 issued by the SEBI. The Annual Secretarial Compliance Report issued by M/s. P.S. Rao & Associates, Company Secretaries 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 investments made during the Financial Year ended March 31, 2023 is given in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and the details of the same forms part of notes to the financial statements.

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, 2023.

SUBSIDIARIES AND JOINT VENTURES

The following is the group structure of the company:

S. No.	Legal name of the entity	Relationship	Country of incorporation and Date	Full address
1	HIL Limited	Holding Company	India, 23.06.1955	Office No 1 & 2, Level 7, SLN Terminus, Gachibowli, Hyderabad, Telangana - 500032
2	HIL International GmbH	Subsidiary (Wholly Owned Subsidiary)	Germany, 03.07.2018	Millenkamp 7-8, 48653 Coesfeld, Germany
3	Parador Holding GmbH	Step Down Subsidiary (WOS to HIL International GmbH)	Germany, 20.06.2016	Millenkamp 7-8, 48653 Coesfeld, Germany
4	Parador GmbH	Step Down Subsidiary (WOS to Parador Holding GmbH)	Germany, 21.09.2015	Millenkamp 7-8, 48653 Coesfeld, Germany
5	Parador Parkettwerke GmbH	Step Down Subsidiary (WOS to Parador GmbH)	Austria, 10.04.1998	Wiener Strasse 66, 7540 Güssing, Austria
6	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
7	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

In compliance with the requirements of Regulation 24 of SEBI Listing Regulations, the company has appointed Dr. Arvind Sahay, Independent Director as a Director on the Board of HIL International GmbH, Germany (wholly owned subsidiary).

Supercor Industries Ltd

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 is no significant development at Supercor Industries Limited. Company has already suspended its operations since the year 2016 due to cash flow crisis. The company has already 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 Industries Limited 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 approved.

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 does 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 VI' to this report.

CONSOLIDATED FINANCIAL STATEMENTS

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 <https://hil.in/investor-relations/fy-2022-23/>.

PARTICULARS OF EMPLOYEES

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 VII', 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 5(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 the 'Annexure VIII' 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, 2023 forms part of this Annual Report and annexed as 'Annexure IX'.

EMPLOYEE STOCK OPTIONS

The details of Employee Stock Options pursuant to Section 62 of the Act 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 are made available on the website of the company at <https://hil.in/investor-relations/>

Further, during the year under review, in continuation of earlier "HIL Limited Long-Term Incentive Plan and HIL Limited Employee Stock Option Scheme 2015 & 2019" the company has adopted a comprehensive "HIL Limited Long-Term Incentive Plan 2023" (or **LTIP 2023**) in the best interest of the employees focusing on talent retention and long term growth of the company. As part of the said plan and as per the recommendations of the Nomination and Remuneration cum Compensation Committee, "HIL Limited Employee Stock Option Scheme 2023" (or **Scheme**) was formulated in accordance with SEBI (SBEB & SE) Regulations, 2021 and approved by the Board at its meeting held on January 27, 2023. Subsequently, the said scheme was also approved by the Shareholders of the company on April 4, 2023 through passing a resolution by Postal Ballot.

Nomination & Remuneration Committee of the Board of Directors, inter alia, administers and monitors the Employees' Stock Option Scheme(s) of the company in accordance with SEBI (SBEB & SE) Regulations, 2021, as amended from time to time. During the year there were no new options granted to the employees of the company under any of the Scheme(s).

Certificate from M/s. P.S. Rao & Associates, Company Secretaries, Secretarial Auditors of the company, confirming that the schemes have been implemented in accordance with the said SEBI Regulations, would be placed at the ensuing AGM of the company for inspection by the members.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As per section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereto ("the Rules"), all shares in respect of which dividends have not been paid or claimed for seven consecutive years or more shall be transferred to Investor Education and Protection Fund (IEPF).

In line with the aforesaid provisions, during the year, unclaimed interim dividend declared for the FY 2015-16 & unclaimed final dividend declared for the FY 2014-15 along with the underlying shares on which dividend has not been claimed for seven years have been transferred to IEPF.

The List of shareholders whose dividends/ shares have been transferred to IEPF is available on the website of the company <https://hil.in/investor-relations/unclaimed-divided-shares-due-to-transfer-to-iepf/> and also the procedure for claiming such unclaimed dividends/ shares from IEPF has been made available on website of the company <https://hil.in/investor-relations/procedure-for-claiming-shares-transferred-to-iepf/>

OTHER DISCLOSURES

- a. During the year, on July 29, 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 Rs. 3702.61 Lakhs, through a lump sale on a going concern basis. The acquisition was completed on August 17, 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.

- b. The Board has devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and that such systems were adequate and operating effectively.
- c. 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.
- d. There are no material changes and commitments, affecting the financial position of the company which occurred between the end of the financial year March 31, 2023 to which the financial statements relate and the date of signing of this report.
- e. During the year, there is no application made or any proceeding pending on the company, under the Insolvency and Bankruptcy Code, 2016.
- f. There has been no change in the nature of business of the company.
- g. Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the company has adopted the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives along with Code of Fair Disclosures. A copy of the same are available on company's website <https://hil.in/investor-relations/policies/>

h. Other Policies

The company has also adopted the following policies, as required by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same are available on the website of the company <https://hil.in/investorrelations/policies/>

- Dissemination of material events policy
- Documents preservation policy
- Material subsidiary policy

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 Directors wish to place on record their sincere appreciation for the contribution made by the employees at all levels and applaud them for their superior levels of competence, dedication and commitment towards the company.

On behalf of the Board of Directors

HIL Limited

Sd/-

CK Birla

Chairman

Place: New Delhi

Date: May 15, 2023

DIN No. 00118473

Annexure(s) to the Board's Report

Annexure (I): Management Discussion and Analysis (MDA)

Global economy & outlook

The world economy, analysts believe, is headed for a soft landing. Amidst a soft economic growth outlook at a global scale for the next two years, we expect inflationary pressures to start easing out during second half of 2023 and 2024.

Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024. The forecast for 2023 is 0.2 percentage point higher than predicted in October 2022 World Economic Outlook (WEO) but below the historical (2000-19) average of 3.8 percent. The rise in central bank rates to fight inflation and Russia's war on Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery.

Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic (2017-19) levels of about 3.5 percent. Inflation's return to target is unlikely before 2025 and once inflation rates are back to targets, deeper structural drivers will likely reduce interest rates towards pre-pandemic levels. The war in Ukraine remains a risk and any escalation could lead to more food and energy price spikes, pushing inflation up. Core inflation could turn out to be more persistent than anticipated, requiring even more monetary tightening to tame.

After a robust rebound in 2021, investment growth is projected to average 3.5 percent per year in emerging market and developing economies (EMDEs) and 4.1 percent in EMDEs excluding China in 2022-24. The weak outlook for investment reflects several factors, and may deteriorate further if the global economy tips into recession.

Supply chain disruptions and rising geopolitical tensions have forced topics like risks and cost-benefit of globalization to the center of debate in an unprecedented manner. Rising geopolitical tensions – like US-China trade tensions, Russia's war on Ukraine – have led to geo-economic and FDI fragmentation. A decrease in FDI has been particularly visible, with global FDI declining from 3.3 percent of GDP in the 2000s to 1.3 percent between 2018 and 2022. Firms and policymakers are increasingly looking at strategies for moving production processes to trusted countries with aligned political preferences to make supply chains less vulnerable and trying to reconfigure their supply networks to strengthen domestic sources and also push harder on technological advancement.

Indian economy & outlook

India continued to remain the fastest growing major economy in the world in FY 2022-23, despite global headwinds. During the year, the revival of post-pandemic private consumption, growing manufacturing activity and a resurgent services sector reflected the economy's inherent resilience. The Government's focus on infrastructure investments also helped boost economic growth and employment generation. Hence, India is on track to achieve 6.5% - 7% GDP growth in FY 2022-23*.

Inflation, caused by volatile commodity prices, remains a downside risk, as do supply-side constraints, a growing current account deficit and geopolitical uncertainty. However, the proactive policy stance of the Indian Government and the RBI is expected to tame inflation in the foreseeable future.

The Government of India's continued efforts to implement structural reforms, improve the ease of doing business, and attract foreign investment are likely to sustain the current economic growth momentum. Sustained focus on initiatives such as Make in India, Digital India, and Skill India will be additional growth drivers.

RBI is anticipated to keep inflation under control, tackle a depreciating currency and reduce the immediate impact of a fiscal deficit on the Indian economy. Along with a favorable policy environment and an improvement in downside risks, consumer sentiment is expected to further improve.

High frequency indicators such as GST collections, railway and air traffic, electronic toll collections and the volume of E-way bills generated reflect the robust health of the economy. India is expected to remain the fastest-growing nation among the G-20 nations in the coming years and will be a magnate for investments both domestic and foreign.

Industry overview and outlook

Fibre cement roofing industry

Fibre cement roofing is a popular roofing material in India due to its durability, fire-resistance, and affordability. The Government of India's focus on promoting affordable housing and robust growth outlook for key consuming industries viz. construction, agriculture, manufacturing, is expected to drive growth in demand for fibre cement roofing in the country.

This preference for fibre cement is driven by its superior performance characteristics such as the ability to withstand

*Source: IMF World Economic Outlook, April 2023, World bank-GEP report, Jan 2023.

*Source: National Statistical Office

extreme weather conditions, resistance to warping and sagging, low maintenance requirements, resistance to moisture and fireproof properties, make it a product much in demand. The use of Chrysotile variety of fibre cement in India for products such as sheets and boards make it a safe product to use.

Factors driving growth

- **Strong rural economy:** Good rainfall in 2022, record crop yields, government schemes and tax subsidies have provided higher disposable incomes to farmers and the rural economy. Our brands and products command a strong resonance with rural and semi-urban consumers and are poised to benefit from this buoyancy.
- **Construction investments:** The construction industry in India, including real estate and infrastructure, is witnessing unprecedented activity. Stimulus measures by the Government have also catalysed the growth of this segment, creating a significant demand for quality roofing solutions.
- **Non-residential demand:** Demand for sturdy roofing solutions in commercial structures like offices, parking lots etc. are substantial growth drivers for the industry.
- **Government stimulus:** Numerous government schemes providing financial assistance for building superior quality infrastructure including National Infrastructure Pipeline (NIP), housing for all and affordable rental housing complexes scheme are likely to provide a major boost to the roofing industry in India.

The Indian fibre cement market is estimated to grow at 6-8% annually. Overall, the outlook for 2023-24 is positive, driven by factors outlined above.

Real estate industry

The real estate industry plays a significant role in the country's GDP and employment generation. The sector comprises of residential, commercial, retail, hospitality, and industrial segments, and has seen significant growth in the last decade. One of the key growth drivers of real estate industry in India is the increasing demand for housing due to the country's growing population and urbanization. Additionally, the rise in disposable incomes, the growth of the middle class, and favorable government policies such as the Pradhan Mantri Awas Yojana (PMAY) and Real Estate Regulatory Authority (RERA) have contributed to the industry's growth. The industry has shown its resilience with the demand revival in 2022-23 even amidst challenges like increasing interest rates.

The overall outlook for the real estate industry in India in 2023-24 is positive, with the potential for growth and expansion in the coming years. Steady residential demand especially from tier 2 and tier 3 cities should do well for the industry.

Pipes & fittings industry

India's Pipes & Fittings industry saw a strong, multi-year high, double digit volume growth in 2022-23. This was also accompanied by an unprecedented sharp correction in PVC

resin prices in the first half of 2022-23 improving affordability for the segment. The preference for PVC pipes has witnessed continued up-surge owing to factors including superior quality and enhanced durability. Rapidly increasing access to piped drinking water to households is a key factor driving growth in this industry. Government initiatives, like Jal Jeevan Mission, affordable housing, smart cities etc. are also helping demand positively for plastic piping products.

Overall volume growth outlook for Pipes & Fittings industry in India for 2023-24 is positive on account of healthy housing demand and low PVC prices which are expected to remain range bound. Government of India's continued support in terms of higher allocations in budget to Jal Jeevan Mission and Pradhan Mantri Awas Yojna would help fuel the growth momentum.

Flooring industry

The flooring industry in Europe is a mature market that is driven by new construction and renovation activities in both residential and commercial sectors. The industry includes a variety of flooring products such as carpets, tiles, wood, laminate, and vinyl. The European flooring market is estimated to be approximately €24 billion in 2023 growing at 3.5-4.5% annually.

In recent years, the European flooring market has been witnessing a growing shift towards more sustainable and eco-friendly flooring materials. Consumers are increasingly concerned about the environmental impact of their purchases and are looking for more sustainable options leading to an increased demand for products made from natural materials such as wood.

Another trend is the increased popularity of luxury vinyl tiles (LVTs), which offer the look and feel of natural materials like wood and stone but with added durability and ease of maintenance. LVTs are popular for both residential and commercial settings, as they are resistant to scratches, stains, and water damage.

Technological advancements have also impacted the flooring industry in Europe. For example, digital printing technology has enabled manufacturers to create highly realistic wood and stone designs on vinyl and laminate flooring, which has increased the popularity of these products.

The outlook for the European flooring industry in 2023 will be heavily influenced by macro-economic factors including inflation and interest rate regime, investments in construction and real estate projects and consumer sentiments. Despite continued uncertainties in the global economic landscape, early signs in 2023 indicate a stabilization of supply and inflationary pressures and in improving consumer confidence index. These indications augur well for the demand for flooring products. Investment sentiment for construction and real estate sector is expected to revive providing further boost for the flooring industry. Focus on sustainability and innovation to meet the evolving needs of consumers will remain an investment theme for the industry.

Company overview

The CK Birla Group is a diversified \$2.9 Billion conglomerate that has a history of enduring relationships with renowned global companies. The group's businesses are diversified across three

clusters: technology and automotive, home and building, and healthcare and education, and spread across five continents. Each business also builds on the collective strengths and synergies of the group's size and span.

Founded in 1946, HIL has maintained its leadership position with an extensive array of products and innovative solutions for the building and construction industry. We are dedicated to delivering sustainable, high quality and future-ready products to its consumers. In recent years, we have made rapid strides towards realizing our ambition of becoming a USD 1 billion, global building solutions company.

In recognition of our market leadership and brand strength, we have been conferred the title of "Asia's Most Trusted Building Material Company" by IBC INFOMEDIA. HIL also holds the SuperBrand title and ranks amongst the top 20% of all other SuperBrands across all categories in India.

HIL operates 25 state of the art manufacturing facilities in India, and two in Germany and Austria. Our state of the art R&D centres in India and Germany, are the backbone behind our product and design leadership and have fostered a culture of innovation throughout the organization. An extensive sales and distribution network with deeper rural market penetration, stretching across India and 80+ countries globally provides unmatched access to our most valuable resource – our customers.

HIL aims to build a green world by adopting a unique "five-way green" philosophy. Where we use low carbon footprint raw materials and manufacture products suitable for reuse and recycling with 30% renewable resources, zero effluents and emissions and zero byproducts. With this approach we resonate and ensure our commitment towards sustainability with the green building products.

Key strengths

- **Operational excellence:** In its operations, HIL strives to achieve the highest standards of excellence. We have implemented lean six sigma practices, Industry 4.0, Digital Twin and Business Intelligence Tools at our various manufacturing locations in India and Europe. This infusion of technology and best in class practices is delivering industry leading efficiencies to our operations.
- **Diversified product portfolio:** HIL has a comprehensive product portfolio, ranging from roofing, walling, flooring, construction chemicals and polymer solutions. We are committed to offering sustainable products that minimize impact on the environment. Our product portfolio is continuously evolving to keep pace with evolving consumer preferences and in strict compliance with regulatory norms.
- **Innovation and R&D:** Sustainable, eco-friendly and cost-effective product development are the fundamental principles at our R&D. Consumer need and demand is the key focus. We continuously strive to add value to our existing products while developing new products for the market. We utilise advanced technology to improve our manufacturing capacities. The latest eco-friendly roofing

solutions developed by the R&D is one of its kind in the world and has huge potential to grow in Indian and in global markets.

- **Diversified geographical footprint:** HIL has a diversified footprint in India with 24 manufacturing facilities and an extensive network of more than 6500 retailers and around 42 depots. Additionally, we have 2 manufacturing facilities in Europe and a strong international presence in more than 80+ countries around the globe.
- **Dedicated and engaged management and workforce:** HIL's committed and dedicated workforce is one of its greatest strengths and it enables us to reach greater heights of success. Being a certified, Top 30 Great Place to Work in India is a confirmation of the Trust by the employees and is a true recognition of the culture created towards harnessing a truly committed 'One HIL' team.
- **Market leadership:** Charminar, Birla Aerocon, Parador are all established brands and market leaders in their product segments and have received accolades from well-respected international bodies over the years. Birla-HIL is gaining good traction in the last few years since its inception.
- **Governance:** Corporate governance, transparent business practices and ethical values drives HIL towards ensuring all compliances and being a responsible corporate citizen.

Product portfolio

HIL, over the last 75+ years, has established market leadership, strong brands and consumer trust with the products it offers. We offer an extensive and diverse portfolio to our retail customers and to a growing clientele in the building material business. We continue to improve and expand our product portfolio based on customer feedback and their evolving preferences. This spirit of innovation and agility is a key driver of our profitable growth. With our commitment towards an advanced product portfolio, HIL is working relentlessly towards the goal of being a \$1 billion company.

➤ Roofing solutions

Charminar (HIL's flagship brand) is a well-recognized and trusted brand and it is the clear market leader in Indian roofing segment.

Charminar fibre cement sheets are a composite building and construction material, essentially used in roofing and facade applications due to its strength, longevity, fire-resistance and are cost effective. These sheets are extensively employed in the construction of industrial buildings, warehouses, sheds, and dwellings, fibre cement sheets.

Charminar Fortune - an eco-friendly, humid cure roofing solution - is HIL's breakthrough product that could herald a "green" and "sustainable" future of affordable roofing. Our success has been driven by differentiated product attributes that resonate with changing customer expectations - asbestos-free composition, good dimensional stability, sound insulation, and low drying shrinkage/moisture movement.

➤ Building solutions

Birla Aerocon is HIL's flagship brand for its wide range of green, walling solutions. Wet walling solutions include Birla Aerocon AAC Blocks (Fly Ash Blocks) and dry mix materials, while dry walling solutions include cement sandwich panels, boards and jointing compound.

Birla Aerocon's wet walling solutions offer a more sustainable and cost effective alternative to traditional building materials. It contains loadbearing and energy-saving building materials that require curing. Birla Aerocon's dry walling solution includes pre-cured, high-performance, light-weight, easy-to-install walling options.

➤ Polymer solutions

The "Birla HIL Pipes" brand houses a variety of plumbing solutions that are eco-friendly, anti-microbial and leak proof. It includes CPVC, UPVC, column pipes, SWR and pressure pipes and fittings. These are excellent for residential, industrial, agricultural and commercial purposes.

Our CPVC pipes are an eco-friendly, aesthetic, and lightweight alternative to the commonly used GI pipes. It is suitable for hot and cold, potable water applications in residential, commercial, and industrial settings.

Our UPVC pressure piping systems come in a variety of diameters and pressure classes, making them an excellent choice for water supply and irrigation. Plain and Sol-fit versions are available for both the potable and irrigation sectors. We are expanding our product offerings to include additional SKUs to serve wider set of customer needs.

"Birla HIL Wall Putty" is a premium, well recognized 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' shade. Our putty does not require paint priming, therefore making it cost-effective for all painting applications.

We will continue to evaluate and launch new business lines. Some new launches like tile adhesive, primers, gypsum plasters, water tanks, waterproof putty, Teflon tapes, and others have been introduced during the year. More information will be released as they turn out to be relevant.

➤ Flooring solutions

Parador is a leading flooring brand in Europe known for its design leadership and "Made in Germany" quality. The product portfolio includes engineered wood, laminate, luxury vinyl tiles and modular-one products in over 1000 designs and decors. Innovation, design and sustainability are at the core of our consumer offering - we create products that make every home and commercial space the most beautiful space in the world.

Wind power

As part of our efforts to promote sustainability we are invested in renewable energy by installing wind turbine generators in Gujarat, Tamil Nadu and Rajasthan with a total rated capacity of 9.35 MW. The energy generated from these projects is partly used for captive consumption at HIL's manufacturing units in Tamil Nadu and Gujarat and any excess generation is sold to DISCOMs of the respective states.

Research and development

HIL is proud to have world class R&D and design centres in India and Germany driving our product development and innovation work. The state-of-the-art infrastructure test facility & in-house pilot plant setup at our R&D centre at Hyderabad has been recognized by DSIR (Department of Scientific & Industrial Research), Govt. of India. This division is dynamic in supporting the pursuit for continuous improvement in existing products and delivering more value-added products to our customers.

At HIL, our dedicated R&D facility adopt process innovations and research on industry changing dynamics to stay ahead of competition. We work tirelessly and successfully developed and patented products, processes and continuous investments in R&D to ensure capability enhancement - upgrading our technologies across our manufacturing facilities. Sustained technological investments have enabled us to achieve efficient production and enhanced production.

Whereas in Parador, we are committed not only in detecting trends but setting them up and are constantly developing new flooring that pushes the boundaries of design. We set standards in terms of quality, design and creativity with our in-house and renowned designers and architects. Our flooring products are known for their innovative designs and diverse range of aesthetic options. R&D team has engineered them to be highly durable and long lasting with high quality and advanced production techniques to ensure resistance against wear, scratches etc., and came up with innovative installation systems.

Innovation and digitalization

At HIL Ltd, we are committed to leveraging innovation and digitalization to drive growth and solve business problems. Our ambitious goal is to digitize the entire value chain across HIL, which enables us to operate with greater efficiency and do better decision-making.

We have made significant progress towards this goal by connecting 12 of our plants using IoT technology. Our smart factories utilize gate management and automated weigh bridge solutions to facilitate the easy movement of trucks, which has improved turnaround time and overall efficiency. Additionally, we have implemented predictive solutions like predictive maintenance and predictive quality, which give us insights into potential issues before they occur, minimizing any potential losses.

To optimise our operations further, we have built a digital twin for one of our plants. This AI tool analyses data on raw material availability and recommends operating parameters and raw material consumption levels to help us meet our targets. By embracing AI technologies, we are staying ahead of the curve and driving innovation at HIL.

Besides digitizing our operations, we are leveraging technology to transform our sales processes. Our sales team members use sales force automation tools that provide them with all the critical information they need to make order taking easy, thereby boosting efficiency. We have also introduced a loyalty management application to reward our partners, helping to build strong relationships and drive growth.

Automation has also been a key focus area, as we seek to reduce repetitive activities for our employees. Alongside RPA, we are implementing low code applications and other tools to reduce mundane tasks and add more value to our employees.

As we digitize our operations, data security is of paramount importance. We have implemented strong security measures, including a 99% uptime for our critical IT services, to ensure our services are available and operational for the majority of the time. Regular security assessments and testing have also helped us identify vulnerabilities and weaknesses in our systems and processes, enabling us to proactively address them before they can be exploited.

Addressing security incidents on a timely basis is crucial, and we have a strong incident plan in place to guide our response in case of a breach. By responding quickly, we can minimize the impact of any incidents and protect our critical systems and data. At HIL, we are committed to leveraging technology to drive growth and innovation, while ensuring data security and the safety of our operations.

Key Financial Ratios on Consolidated Basis

Key Financial Ratios*	FY 2022-23	FY 2021-22	% Change	Comments
Debtors Turnover (No. of Days)	14.13	12.57	12.37%	Increased due to change in sales product mix
Inventory Turnover (No. of Days)	73.46	62.35	17.80%	Increased on account of increase in key raw material prices
Interest Coverage Ratio (Times)	11.48	49.42	-76.77%	Reduced due to higher material cost, muted revenue resulting to lower EBIT
Current Ratio (Times)	1.36	1.36	-0.36%	Working capital managed well in tough times
Debt Equity Ratio (Times)	0.33	0.25	32.54%	Reduced due to increase in borrowings
Operating Profit Margin (%)	7%	12%	-40.45%	Reduced on account of lower margin owing to higher material cost
Net Profit Margin (%)	3%	6%	-53.31%	Reduced on account of lower margin owing to higher material cost
Return on Net Worth (%)	8%	19%	-58.61%	Reduced on account of lower margin owing to higher material cost
Return on equity (%)	8%	19%	-58.61%	Reduced on account of lower margin owing to higher material cost
Return on Capital Employed (%)	9%	23%	-61.07%	Reduced on account of lower margin owing to higher material cost

*Computation of key ratios have been derived as follows:

[Debtors Turnover (in days) = 365/(Revenue from Operations/Average Trade Receivables)]

[Inventory Turnover (in days) = 365/(Revenue from Operations/Average Inventories)]

(Interest Service Coverage Ratio = Earnings Before Tax and Interest on debt/Interest on debt)

(Current Ratio = Current Assets/Current Liabilities)

(Debt Equity Ratio = Debt /Total Equity including all reserves)

(Operating Profit Margin % = Earnings before interest tax depreciation and amortization/Revenue from Operations)

(Net Profit Margin % = Net Profit after Tax/Revenue from Operations)

(Return on Net Worth % = Net Profit After Tax/ Avg. Net Worth (Total Equity including all reserves)

(Return on Equity%=Profit after taxes/ Average net worth)

(Return on Capital Employed % = Earnings before interest & tax / Capital Employed)

Environment, health and safety

HIL's focus on environmental protection and occupational health and safety is enshrined in our EHS Policy. Our system of risk management is designed to reduce environmental incidents and occupational injuries and illnesses.

Further, HIL's risk management strategy encompasses a thorough set of management and technical standards for key EHS risk

areas across our business. To help protect our employees from injuries, we identify high risk areas and invest in a wide range of technological solutions and awareness-raising initiatives. For machine safety, we use virtual design reviews and augmented reality to conduct technical risk assessments to ensure all physical and safety awareness measures are installed. We have also invested in ergonomic wearables to address posture behaviours to help reduce ergonomic risk for our associates. We

are also digitizing the EHS systems so that we can report, track, and implement action plans in real time. We proactively monitor current and emerging environmental protection legislation and other areas of concerns across our value chain. We are striving to achieve zero waste to landfill in our direct operations. We have established Air Quality Management Standard to define minimum requirements and best management practices to ensure that each applicable facility complies with applicable air regulations. We produce no process waste water and that all of the water used in our operations is recycled.

Human resources

HIL strongly believes that talent is core to the strategy for us and it is the quality and dynamism of its human resources that enables it to make a significant contribution to enhance stakeholders' value. We place employee engagement, development and retention of talent as one of its key priority, to enable achievement of organizational goals. We continuously provide functional, behavioral and leadership trainings to employees, to ensure a culture of continuous improvement. The work culture is open and transparent with a strong emphasis on 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'

Risk management

HIL, in fulfilling its business objectives, is exposed to various market risks. However we have built organizational agility to anticipate, mitigate and manage these risks. We have implemented a number of measures to assess, identify, and effectively reduce risks that may arise from time to time.

Risks	Significance and meaning	Mitigation
Commodity and raw material price risks	Supply chain disruptions could result in price fluctuation of critical raw materials such as cement, fibre resin, and wood adversely impacting costs & margins	HIL has built long-term partnerships with its suppliers, reducing the risk of price fluctuations. We have built a global network of suppliers that allows global diversification of supply sources
Macroeconomic risks	Political, economic, geopolitical instability could negatively impact HIL's operations	HIL's operations, sales and supply sources are spread across multiple countries and segments, decreasing its reliance on a single country or product dynamics
Financial risks	HIL is exposed to exchange rate volatility because of its global presence. Currency rate fluctuations could have detrimental effect on our profitability	HIL enters into forward contracts to hedge foreign exchange risks, thus limiting any negative impact from exchange rate fluctuations
Technology risks	With the advent of technology, the need for enhanced systems and processes to boost operational efficiency and provide better customer satisfaction has surged. HIL may face difficulties if it fails to adapt to a changing environment	HIL's manufacturing facilities are equipped with advanced gear and technologies that increases its efficiency. Over the years there has been significant investment in digitization / Industry 4.0 deployment at our plants
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 financial position	To offer defect-free and high-quality products, HIL follows strict quality control processes. We are accredited by leading industry bodies certifying the quality of its products and processes.

HIL's flagship employee engagement program – JOSH – makes learning activities fun by indulging in various programs like festive celebrations, sports events, health care activities, cultural nights with family events, etc. to create an overall healthy work environment. We brought all our employee Rewards & Recognition events under an umbrella branded as "Yashotsav", which is a platform to recognise & reward employees across its plants and offices.

The permanent employee strength of HIL India is 1,745 employees, as on March 31, 2023.

Awards & Accolades

HIL has been certified as a Great Place to Work for the fifth time in a row for 2023-24 with an outstanding trust index score of 93 this year. HIL is ranked amongst:

- India's Best Companies To Work for™, ranked at 27
- India's 25 Best Workplaces in Manufacturing 2023
- India's Best Workplaces in Cement and Building Materials – 2023
- India's 50 Best Workplaces in Building a Culture of Innovation by All – 2023

Risks	Significance and meaning	Mitigation
Environment risks	Inability to keep its environmental footprints below permitted standards may negatively impact HIL's reputation and result in financial losses.	HIL has a well-managed EHS program. It actively examines the effects on the environment and makes actions to reduce them. It also takes a systematic approach for effective waste management, resource utilization, and carbon reduction

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.

Annexure (II) Annual Report on Corporate Social Responsibility (CSR) activities for the financial year ended March 31, 2023

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

1. Brief outline on CSR Policy of the company:

CSR initiatives at HIL reflect the deep symbiotic relationship that the company enjoys with the communities it is engaged with and represent our active contribution to their social and economic development.

Our programs are selected basis their impact on driving inclusive growth through initiatives in health & wellness, education & related infrastructure and community development.

The Board has adopted a CSR Policy in line with Section 135 of the Companies Act, 2013 and rules made thereunder.

2. Composition of CSR Committee:

S. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Desh Deepak Khetrpal	Chairman, Non-Executive Director	3	3
2	Mr. VV Ranganathan	Member, Independent Director	3	3
3	Ms. Gauri Rasgotra	Member, Independent Director	3	2

3. Web-link 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/2023/05/HIL-CSR-Policy-dt-09052023-Final-Approved-on-15052023.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

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

Total amount spent for the financial year (₹ in Lakhs)	Amount unspent (₹ in lakhs)				
	Total amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
343.03	Nil	-	-	Nil	-

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 17132.02 Lakhs

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 342.64 Lakhs

(c) Surplus arising out of the CSR projects or programs 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 (5b+5c-5d): ₹ 342.64 Lakhs

6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project): ₹ 343.03 Lakhs

(b) Amount spent in administrative overheads: Nil

(c) Amount spent on impact assessment, if applicable: Not Applicable

(d) Total amount spent for the financial year (6a+6b+6c): ₹ 343.03 Lakhs

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

S. No.	Particulars	Amount ₹ in lakhs
(i)	Two percent of average net profit of the company as per section 135(5)	342.64
(ii)	Total amount spent for the financial year	343.03
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.39
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.39

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

S. No.	Preceding financial year(s)	Amount transferred to unspent CSR account under subsection (6) of section 135 (in ₹)	Balance amount in unspent CSR account under subsection (6) of section 135 (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
Nil								

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

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

For and on behalf of the Board of Directors

Sd/-
Akshat Sethi
Managing Director & CEO
DIN: 10039820

Sd/-
Desh Deepak Khetrapal
Chairman - CSR Committee
DIN: 02362633

Date: May 15, 2023
Place: New Delhi

Annexure (III) Corporate Governance Report

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

1. 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 the way we do our business, encompassing every day's 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, environment and regulatory compliances. Our actions are governed by our values and principles, which are reinforced at 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 a synonym for 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 helps and 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 are transparency, internal controls, risk management, internal and external communications, high standards of safety, health, environment, accounting fidelity and product & service quality. 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 and 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, 2023 are as follows:

2. BOARD OF DIRECTORS

(a) Composition and other related matters:

The company has a judicious mix of Executive Directors & 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 Six (6) 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 compliant 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 as on March 31, 2023, Number of Directorships including committee positions held by them as on March 31, 2023 and attendance for the meetings of Board and previous Annual General Meeting (held on July 29, 2022) are given below:

Name of the Director	Category of Directorship	Number of Directorships in Companies (including HIL)			Number of Committee positions (including HIL) ⁽²⁾		Attendance at	
		Total Directorships ⁽¹⁾	Directorships in listed Companies	Directorships in other Public Companies	Chairman	Member	Board Meetings	Previous AGM
Mr. CK Birla (DIN: 00118473)	Chairman Promoter Non-Executive	8	5	3	-	-	6	Yes
Mr. Desh Deepak Khetrpal (DIN: 02362633)	Non-Executive Director (NED)	3	3	-	-	4	6	Yes
Mr. V V Ranganathan (DIN: 00060917)	Independent Director (NED)	2	2	-	1	3	6	Yes

Name of the Director	Category of Directorship	Number of Directorships in Companies (including HIL)			Number of Committee positions (including HIL) ⁽²⁾		Attendance at	
		Total Directorships ⁽¹⁾	Directorships in listed Companies	Directorships in other Public Companies	Chairman	Member	Board Meetings	Previous AGM
Ms. Gauri Rasgotra (DIN: 06862334)	Independent Director (NED)	2	2	-	2	4	5	Yes
Dr. Arvind Sahay (DIN: 03218334)	Independent Director (NED)	3	2	1	2	5	4	No
Mr. Akshat Seth (DIN: 10039820)	Managing Director & CEO	1	1	-	-	-	1	NA
Mr. Dhirup Roy Choudhary (DIN: 07707322)	Managing Director & CEO	-	-	-	-	-	5	Yes

*Mr. Akshat Seth was appointed as Chief Executive Officer & Key Managerial Personnel of the company with effect from February 1, 2023 and as a Director & Managing Director with effect from February 11, 2023

**Mr. Dhirup Roy Choudhary resigned as Managing Director & CEO of the company with effect from January 31, 2023

(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 whether listed or not and private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Companies Act, 2013 are excluded as required under Regulation 26(1)(b) of SEBI Listing Regulations.

Details of Directors, who are directors in other listed entities:

S. No.	Director	Listed Companies	Designation in the other company
1.	Mr. CK Birla	Orient Paper & Industries Limited	Chairman & Director
		Orient Cement Limited	Chairman & Director
		Orient Electric Limited	Chairman & Director
		Birlasoft Limited	Non-Executive Director
2.	Mr. Desh Deepak Khetrapal	Orient Cement Limited	Managing Director
		Orient Electric Limited	Non-Executive Director
3.	Mr. VV Ranganathan	Brigade Enterprises Limited	Independent Director
4.	Ms. Gauri Rasgotra	Orient Paper & Industries Limited	Independent Director
5.	Dr. Arvind Sahay	IFCI Limited	Independent Director

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 on more than eight companies as required under Regulation 17 of SEBI Listing Regulations.
- None of the Independent Directors are serving as independent director in more than seven listed entities as required under Regulation 17 of SEBI Listing Regulations.
- None of the Independent Directors are Managing Director or Whole Time Director on other listed entities.
- Independent Director means a Director as defined under Regulation 16 of 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 SEBI Listing Regulations and Section 149(6) of the Act. In opinion of the Board, all the Independent Directors fulfil 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 51376 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 2022-23, information as specified in Part A of Schedule II to the SEBI Listing 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 all 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 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 website <https://hil.in/investor-relations/> Details of Directors along with their profile are forming part of 76th Annual Report.
- Board of Directors hereby confirms that, the independent directors fulfil the conditions specified in SEBI Listing Regulations and are independent of the management.
- There was no resignation of Independent Directors during the year.

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 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	Mr. VV Ranganathan	Ms. Gauri Rasgotra	Dr. Arvind Sahay	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, 6 (Six) Board Meetings were held (as detailed below) and the maximum time-gap between any two consecutive meetings is 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 06, 2022	6	5	83%
July 29, 2022	6	6	100%
November 04, 2022	6	6	100%
January 19, 2023	6	6	100%
January 27, 2023	6	5	83%
March 29, 2023	6	5	83%

Name of the Director	Designation	No. of meetings eligible to attend	Attendance	Percentage
Mr. CK Birla	Chairman & Non-Executive Director	6	6	100%
Mr. Desh Deepak Khetrpal	Non-Executive Director	6	6	100%
Mr. VV Ranganathan	Independent Director	6	6	100%
Ms. Gauri Rasgotra	Independent Director	6	5	83%
Dr. Arvind Sahay	Independent Director	6	4	67%
Mr. Akshat Seth (w.e.f. February 11, 2023)	Managing Director & CEO	1	1	100%
Mr. Dhirup Roy Choudhary (till January 31, 2023)	Managing Director & CEO	5	5	100%

The Board is regularly apprised and informed of important business-related information. The dates of the Board Meetings are finalized in consultation with all Directors well in advance. Agenda papers supported by comprehensive notes and relevant information, documents and presentations are circulated in advance to all the Board Members which enable them to take informed decisions and discharge their functions effectively. The agenda for Board Meeting covers items set out in as per 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 important decisions taken at the Board Meeting are communicated to the respective departments after the meetings for the implementation of the said decisions.

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 given in Regulation 16(b) of SEBI Listing Regulations and the Companies Act, 2013 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 and the draft

letter of appointment is available on the website of the company <https://hil.in/investor-relations/>

(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 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 him under the Companies Act, SEBI Listing Regulations, Insider Trading Regulations and other relevant regulations on regular basis.

The Directors are familiarised with the company's business model and its operations. Interactions are held between the Directors and Senior Management 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 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 including criteria for such evaluation:

A formal evaluation mechanism has been adopted for evaluating the performance of the Board, Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria which includes, among others, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees.

- Structured evaluation forms, as recommended by the Nomination & Remuneration Committee, after taking into consideration inputs received from the Directors, 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, 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 members of the Board were requested to evaluate 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 submitted to the Chairman at the concerned meeting.
- 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 an individual feedback to the concerned Director on areas of improvement, if any.

During the year under review, 4 (four) Audit Committee Meetings were held and the maximum gap between any two meetings was not more than one hundred and twenty days. Dates, composition and attendance of the Committee at the meetings were as follows:

Date of Audit Committee Meeting	Committee Strength	No. of Directors Present	Percentage
May 06, 2022	4	3	75%
July 29, 2022	4	4	100%
November 04, 2022	4	4	100%
January 27, 2023	4	3	75%

Name of the Director	Designation	No. of meetings	Attendance	Percentage
Mr. V V Ranganathan	Chairman	4	4	100%
Mr. Desh Deepak Khetrapal	Member	4	4	100%
Ms. Gauri Rasgotra	Member	4	4	100%
Dr. Arvind Sahay	Member	4	2	50%

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 Chairperson 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 Chairman of the Audit Committee, Mr. VV Ranganathan, was present at last Annual General Meeting of the company held on July 29, 2022 and Company Secretary acts as a Secretary to the Audit Committee.

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

3. COMMITTEES OF DIRECTORS

(a) Audit Committee

i. Composition and Meetings:

The company constituted a qualified and Independent Audit Committee comprising 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 Companies Act, 2013.

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.

ii. Role of Audit Committee:

The terms of reference, role and powers of the Audit Committee are as prescribed under Part C, Schedule II in terms of Regulation 18 of Listing Regulations read with Section 177 of the Companies Act, 2013 and includes overseeing of the company's financial reporting process, reviewing with the management of the financial statements and the adequacy of the internal audit function, internal control and to discuss significant internal audit findings, statutory compliance and issues related to risk management and compliances.

The Committee also supervises the performances of the Subsidiaries (including step down subsidiaries) and takes note of information as required under Companies Act, 2013 & SEBI Listing Regulations.

The details of related party transactions as required under the Companies Act, 2013, Listing Regulations and the applicable Indian Accounting Standards (Ind-AS) are provided as an Annexure to the Board's Report and also forms part of notes to the financial statements.

(b) Nomination & Remuneration Committee

i. Composition and attendance

The current composition of the Nomination & Remuneration Committee comprises of 3 (Three) Non-Executive Directors out of which 2 (Two) are Independent Directors and 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 Committee also acts as per the terms of reference and directions of the Board from time to time. Dates, composition and attendance of the Committee at the meetings were as follows:

Date of Committee Meeting	Committee Strength	No. of Directors Present	Percentage
May 06, 2022	3	3	100%
July 29, 2022	3	3	100%
January 19, 2023	3	3	100%
January 27, 2023	3	3	100%

Name of the Director	Designation	No. of Meetings	Attendance	Percentage
Mr. VV Ranganathan	Chairman	4	4	100%
Ms. Gauri Rasgotra	Member	4	4	100%
Mr. CK Birla	Member	4	4	100%

ii. Nomination, Remuneration and Evaluation Policy

Nomination, Remuneration and Evaluation Policy ("Remuneration Policy") of the company is designed 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. Our 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 to its Managing Director & CEO, Key Managerial Personnel and other Senior Management Team of the company. Annual increments are recommended by the Nomination & Remuneration cum Compensation Committee which are normally effective from April 1st, of every year. Based on the performance of the company vis a vis the concerned employee, the Nomination & Remuneration cum Compensation Committee decides and recommends to the Board of Directors the variable amount payable to them. The

Nomination & 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 and Remuneration 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://www.hil.in/investors/codes-policies>

The key objectives of this Policy includes:

- a. Guiding the Board of Directors in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 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 compliances.
- c. Recommending to the Board the remuneration, in whatever form, payable to the Directors, Key Managerial Personnel & Senior Management.

The remuneration paid/payable to each of the Directors for the financial year ended March 31, 2023 is as under:

Name of Director	Tenure	Remuneration for the financial year ended March 31, 2023 (₹ in Lakhs)				
		Sitting Fee	Salary & Perquisites	Performance Pay	Commission	Total
Mr. CK Birla	NA	8.00	-	-	50.00	58.00
Mr. Desh Deepak Khetrpal	NA	12.00	-	-	20.00	32.00
Mr. VV Ranganathan	5	16.00	-	-	20.00	36.00
Ms. Gauri Rasgotra	5	14.50	-	-	15.00	29.50
Dr. Arvind Sahay	5	7.50	-	-	15.00	22.50
Mr. Akshat Seth (w.e.f. February 11, 2023)	5	-	85.77	-	-	85.77
Mr. Dhirup Roy Choudhary (till January 31, 2023)	5	-	767.88	121.83	-	889.71

Notes:

- The Members of the company at the Annual General Meeting held on July 28, 2016 approved payment 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 a maximum of 1% of profits calculated in accordance with the provisions of Section 197 of the Companies Act 2013, as recommended by Nomination & Remuneration cum Compensation Committee and approved by the Board, in addition to the sitting fees.
- The Executive Directors are employees of the company and are subject to service conditions as per the company's policy. There is no separate provision for payment of severance fees.
- As on March 31, 2023, none of the Independent Directors hold stock options or shares of the company.
- The Non-Executive Independent Directors on the company's Board, apart from receiving sitting fees and commission if any, do not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its subsidiaries or associate companies.
- Details of the Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of SEBI Listing Regulations are provided in the Notice convening 76th Annual General Meeting.
- The Chairman of the Committee was present at the Annual General Meeting held on July 29, 2022.
- 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 outlook 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, commission and reimbursements of expenses, if any for attending the meetings of the company.

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

(c) Stakeholders' Relationship Committee:

i. Composition and Meetings

The Stakeholders' Relationship Committee (SRC) comprises of 3 (Three) Independent Non-Executive Directors.

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

- Resolving the grievances of the security holders;
- Reviewing details of transfer of unclaimed dividend/securities to the Investor Education and Protection Fund
- Reviewing the transfer, transmission, dematerialisation of securities;
- Reviewing measures taken for effective exercise of voting rights by shareholders;
- Reviewing adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Reviewing various measures and initiatives taken 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.

Details of the meetings, composition and attendance of the Committee is as follows:

Date of Committee Meeting	Committee Strength	No. of Directors Present	Percentage
May 06, 2022	3	2	67%
July 29, 2022	3	3	100%
November 04, 2022	3	3	100%
January 27, 2023	3	2	67%

Name of the Director	Designation	No. of Meetings	Attendance	Percentage
Ms. Gauri Rasgotra	Chairman	4	4	100%
Mr. VV Ranganathan	Member	4	4	100%
Dr. Arvind Sahay	Member	4	2	50%

ii. Compliance Officer

Mr. Ajay Kapadia, VP - Finance & Accounts, is designated as an Interim Compliance Officer of the company w.e.f. January 28, 2023 consequent to the resignation of Mr. Mahesh Thakar, Company Secretary & Legal Head. All investor complaints, which cannot be resolved at the level of the Compliance Officer, are placed before the Committee for its approval.

During the year the following are the changes in Company Secretary and Compliance Officer:

S. No.	Name of the Person	Designation
1.	Mr. Ajay Kapadia	Interim Compliance Officer w.e.f. January 28, 2023
2.	Mr. Mahesh Thakar	Company Secretary & Head Legal (till January 27, 2023)

iii. Status of Investor Complaints

The status of investor complaints as on March 31, 2023 as reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

- Pending as on April 1, 2022 - Nil
- Received during the year - Nil
- Resolved during the year - Nil
- Pending as on March 31, 2023 - Nil

(d) Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee comprises of 3 (Three) Non-Executive Directors out of which 2 (Two) are Independent Directors. During the year under review, Corporate Social Responsibility (CSR) Committee met on May 06, 2022, January 27, 2023 and March 29, 2023. The composition of the Corporate Social Responsibility (CSR) Committee and the attendance of each Member of the Committee at the meetings were as follows:

Name of the Director	Designation	No. of Meetings	Attendance	Percentage
Mr. Desh Deepak Khetrpal	Chairman	3	3	100%
Mr. VV Ranganathan	Member	3	3	100%
Ms. Gauri Rasgotra	Member	3	2	67%

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

- Formulate and recommend to the Board the 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 requirements of the law.

(e) Risk Management Committee:

i. Composition and Attendance

The Risk Management Committee (RMC) comprises of 7 (Seven) members out of which 4 (Four) are Non-executive Directors consists of 3 (Three) Independent Directors and 1 (One) Non-executive Director; 2 (Two) Key Managerial

Personnel i.e Executive Director (Managing Director & CEO) and Chief Financial Officer; 1 (one) Head Internal Audit. 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 July 29, 2022 and January 19, 2023. The composition of the Risk Management Committee (RMC) and the attendance of each Member of the Committee were as follows:

Name of the Director / KMP / Senior Management	Designation	No. of meetings	Attendance	Percentage
Mr. VV Ranganathan	Chairman	2	2	100%
Mr. Desh Deepak Khetrpal	Member	2	2	100%
Ms. Gauri Rasgotra	Member	2	2	100%
Dr. Arvind Sahay	Member	2	2	100%
Mr. Akshat Seth (w.e.f. February 11, 2023)	Member	NA	NA	NA
Mr. Saikat Mukhopadhyay (w.e.f. July 29, 2023)	Member	2	2	100%
Mr. Purav Gala	Member	2	2	100%
Mr. Dhirup Roy Choudhary (till January 31, 2023)	Member	2	2	100%
Mr. KR Veerappan (till May 10, 2022)	Member	NA	NA	NA

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 Company, 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 keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - Review the company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management;
 - Review and approve the Enterprise Risk Management (ERM) framework;
 - Review the company's risk appetite and strategy relating to key risks, including market risk, cyber security risk, product risk and reputational risk as well as the guidelines, policies and processes for monitoring and mitigating such risks;
- Review and analyse risk exposure related to specific issues and provide oversight of risk across organisation;
- Nurture a healthy and independent risk management function in the Company; and
- Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

4. 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. Minutes of the previous meeting in a form of update by the Managing Director & CEO, who is also the Managing Director in the Material Subsidiary.
- b. Review of financial statements, investments made by the subsidiary
- c. Major dealings such as assets, loans, material transactions, etc.,
- d. Significant Transactions or contracts
- e. Compliance certificates as required.

During the year under review, the Company has complied with all the corporate governance requirements with respect to a subsidiary of the Company.

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

5. 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
2021-22	Friday, July 29, 2022 at 3.00 pm IST	
2020-21	Friday, July 30, 2021 at 3.00 pm IST	Held via two-way Video Conferencing ('VC') facility or other audio visual means ('OAVM') deemed venue is registered office situated at Office 1&2, 7 th Floor, SLN Terminus, Gachibowli, Hyderabad 500 032
2019-20	Wednesday, July 29, 2020 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 29, 2020	Nil
In the Annual General Meeting held on July 30, 2021	Nil
In the Annual General Meeting held on July 29, 2022	<ol style="list-style-type: none"> To consider and ratify re-appointment of Mr. Dhirup Roy Choudhary as (DIN: 07707322) the Managing Director (MD) and Chief Executive Officer (CEO) of the company for a further term of 05 (five) years effective January 16, 2022 until January 16, 2027 Increase in managerial remuneration limit payable to Mr. Dhirup Roy Choudhary, Managing Director and Chief Executive Officer of the company, in excess of 5% of the net profits of the company for the financial year 2021-22

c. During the year there was no special resolution passed through postal ballot by the shareholders of the company. However after end of the financial year i.e. April 4, 2023 the following Special Resolutions were passed 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	3673314
Votes cast in favour of the Resolution	3561394
Votes cast against the Resolution	111920
Number of Invalid Votes	0

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	3673164
Votes cast in favour of the Resolution	3661751
Votes cast against the Resolution	11413
Number of Invalid Votes	0

Procedure followed for Postal Ballot/ E-voting:

- In terms of the General Circular No.14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 03/2022 dated May 5, 2022 and General Circular No. 11/2022 dated December 28, 2022 (the "MCA Circulars"), issued by the Ministry of Corporate Affairs, Government of India (the "MCA"), 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.
- 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.
- 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 Ballot processes in a fair and transparent manner.

- d. After due scrutiny of e-voting received up to the close of working hours as mentioned above, scrutinizer had submitted its final report on April 5, 2023. The results of the postal ballot/ e-voting were declared on April 5, 2023.
 - e. As on date of this report, the Company does not propose to pass any Special Resolution for the time being by way of Postal Ballot.
- d. During the financial year there were no Extraordinary General Meetings held.

6. MEANS OF COMMUNICATION:

The Company follows a robust process to seamlessly communicate with its stakeholders 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:

Stock Exchange Intimations

All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed.

All submissions to the Exchanges including Shareholding Pattern and Corporate Governance Report are made through the respective electronic filing platforms. 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/#>

Financial Results

The quarterly/half-yearly/annual financial results are declared 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 published within the time stipulated under the SEBI Listing Regulations in newspapers viz. Business Standard (in English) and Surya (in Telugu). They are displayed under 'Investors Relation' section of the Company's website viz. www.hil.in

Analyst/Investor Meets

The Managing Director & CEO and Chief Financial Officer hold quarterly briefs with analysts, shareholders and major stakeholders where the Company's performance is discussed. The official press releases, the presentation 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 www.hil.in and uploaded on the website of NSE & BSE.

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 names of the Members and the details of the unclaimed dividend by the Members on website <http://www.hil.in>. The Members may log in to find out details of dividends outstanding for any of the previous years.

Pursuant to SEBI Circular dated March 16, 2023, outstanding payments will be credited directly to the bank account of the shareholder, only if the folio is KYC compliant.

Other Communication to Shareholders

- Furnishing of PAN, KYC details and Nomination details by physical shareholders: Pursuant to SEBI Circular dated March 16, 2023, the Company has sent a communication to its physical shareholders for furnishing details of PAN, email address, mobile number, bank account details and nomination details. Folios wherein any of the above cited details/documents are not available, on or after October 1, 2023, or any such date as may be prescribed, shall be frozen as per the aforesaid Circulars.
- Steps to capture email address of the shareholders: In order to capture email address of a larger shareholder base and send all intimations electronically, the Company appointed National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') to send SMS alerts to those shareholders whose email addresses were not registered with the Company.
- Registration of email address for the limited purpose of receiving the credentials for remote e-Voting along with the Annual Report 2022-23 at the AGM: The Company has made special arrangement with the help of its RTA for registration of email addresses of those Members whose email addresses are not registered and who wish to receive the credentials for remote e-Voting and the Notice of the 76th AGM along with the Annual Report 2022-23.

- The Company also voluntarily sent a communication to all those shareholders whose email addresses were registered with the Company regarding tax on dividend requesting them to update their bank account details and other detailed process.

Company's Website

Company's website <http://www.hil.in> contains a separate section for Investors wherein the updated information pertaining to quarterly, half-yearly and annual financial results, official press releases, shareholding pattern is available in a user-friendly and downloadable form.

Members are requested to note the following due date(s) for claiming the unpaid or unclaimed dividend declared by the Company for FY 2015-16 and thereafter:

Financial Year	Interim / Final	Date of Declaration	Due date / cut-off date to transfer to IEPF
2015-16	Final	July 28, 2016	August 29, 2023
2016-17	Interim	January 16, 2017	February 17, 2024
2016-17	Final	July 18, 2017	August 19, 2024
2017-18	Interim	January 24, 2018	February 25, 2025
2017-18	Final	August 6, 2018	September 7, 2025
2018-19	Interim	February 8, 2019	March 12, 2026
2018-19	Final	July 24, 2019	August 25, 2026
2019-20	Interim	February 13, 2020	March 16, 2027
2019-20	Final	July 29, 2020	August 30, 2027
2020-21	Interim	February 2, 2021	March 6, 2028
2020-21	Final	July 30, 2021	August 31, 2028
2021-22	Interim	January 27, 2022	February 28, 2029
2021-22	Final	July 29, 2022	August 30, 2029
2022-23	Interim	January 27, 2023	February 29, 2030

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, 2023 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 does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the

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 ₹10,77,478/- (₹ 5,89,310/- of Final Dividend of FY 2014-15 and ₹ 4,88,168/- of Interim Dividend of FY 2015-16) have been transferred to Investor Education and Protection Fund (IEPF) on September 22, 2022 and March 18, 2023 respectively.

shares. Accordingly, the Company has transferred 1865 equity shares of face value ₹ 10 per share to the demat account of the IEPF Authority during FY 2022-23.

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 the IEPF-5 form for claiming the dividend/shares available on <https://www.iepf.gov.in>. Link to e-Form IEPF-5 is also available on the website of the Company at www.hil.in No claims shall lie against the Company in respect of the dividends/shares so transferred.

7. GENERAL SHAREHOLDER'S INFORMATION:

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

Date, time and Venue of AGM	Monday, July 31, 2023 at 03.00 pm IST
Venue	In accordance with the General Circulars issued by the MCA, the AGM will be held through VC/OAVM only (Facility hosted by NSDL)
Financial year	April 1, 2022 to March 31, 2023
Book Closure Date	From Saturday, July 22, 2023 till Monday, July 31, 2023 (both days inclusive) for the purpose of AGM and Final Dividend if declared at 76 th AGM
Record Date for Final Dividend	Friday, July 21, 2023
Dividend Payment Date	Will be credited or dispatched on or before August 29, 2023 Interim dividend declared during the year 2022-23 was paid on February 15, 2023
Listing on Stock Exchanges	a. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 b. National Stock Exchange of India Limited 'Exchange Plaza' 5 th 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 year 2022-23 and 2023-24 has been paid to both the above said Stock Exchanges.
ISIN	INE557A01011
E-voting facility	Open Date: Thursday, July 27, 2023 at 9:00 am IST Close Date: Sunday, July 30, 2023 at 5.00 pm IST
Address for Correspondence	Mr. Ajay Kapadia, Interim Compliance Officer HIL Limited Office 1&2, 7 th Floor, SLN Terminus, Survey No.: 133, Beside Botanical Gardens, Gachibowli, Hyderabad- 500032, Tel: 91 40 68249000, Email: cs@hil.in
Suspension of Trading	No securities of the company were suspended from trading on stock exchanges during the year under review.
Convertible Instruments	The company has not issued any convertible instruments

Remote e-voting at the Annual General Meeting: To allow the Members to vote on the resolutions proposed at the Annual General Meeting, the company has arranged for a remote e-voting facility. The company has engaged NSDL to provide e-voting facility to all the Members. Members whose names appear on the Register of Members as on Friday, July 21, 2023 ("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 data

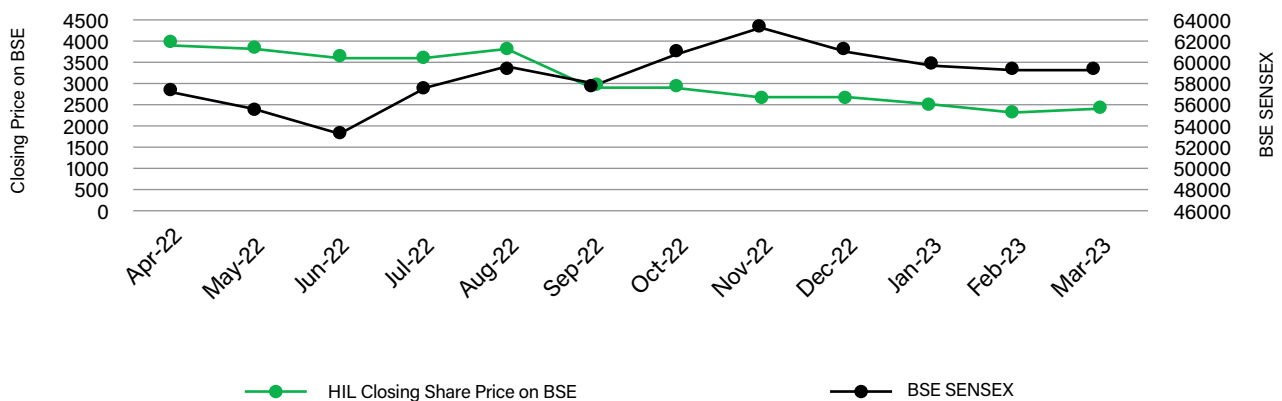
Market price data of BSE and NSE:

Month	BSE		NSE	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
Apr-22	4288.30	3825.00	4269.90	3820.00
May-22	3996.00	3350.00	3999.00	3375.00
Jun-22	3855.50	3195.20	3875.00	3200.00
Jul-22	3630.75	3270.00	3630.00	3267.25
Aug-22	3947.20	3377.30	3945.00	3435.00
Sep-22	3798.00	2705.00	3800.00	2700.05
Oct-22	2939.85	2641.00	2931.00	2627.30
Nov-22	2977.15	2560.85	2978.95	2561.00
Dec-22	2945.95	2489.00	2948.30	2484.95
Jan-23	2928.25	2321.00	2930.00	2320.00
Feb-23	2538.35	2245.00	2541.95	2242.00
Mar-23	2484.95	2202.10	2485.00	2202.10

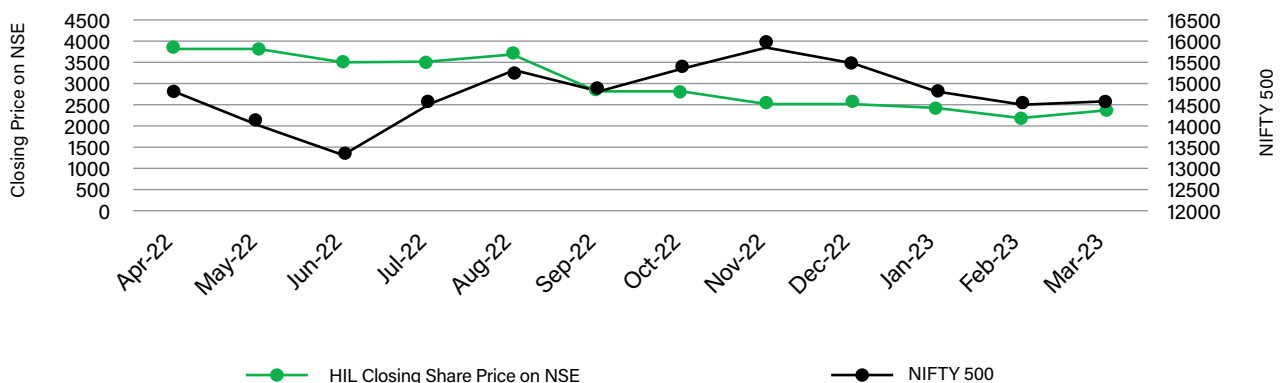
Performance in comparison to BSE Sensex and S&P Nifty 500:

Month	BSE (Closing Price)	BSE Sensex (Closing)	NSE (Closing Price)	Nifty 500 (Closing)
Apr-22	3839.40	57060.87	3838.35	14783.35
May-22	3762.45	55566.41	3780.30	14119.60
Jun-22	3564.85	53018.94	3551.10	13387.55
Jul-22	3520.70	57570.25	3519.20	14665.65
Aug-22	3706.70	59537.07	3698.05	15325.05
Sep-22	2845.95	57426.92	2843.65	14829.35
Oct-22	2823.10	60746.59	2852.70	15424.00
Nov-22	2592.25	63099.65	2589.05	15946.15
Dec-22	2601.30	60840.74	2598.10	15448.85
Jan-23	2495.55	59549.90	2499.55	14935.50
Feb-23	2251.55	58962.12	2254.30	14518.75
Mar-23	2400.70	58991.52	2401.55	14557.85

HIL Share Price on BSE vis a vis BSE SENSEX



HIL Share Price on NSE vis a vis NIFTY 500



Registrar and Share 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:

'AURUM' 4th & 5th Floors, Plot No.57, Jayabheri Enclave Phase-II, Gachibowli, Hyderabad - 500032.
Landline: 040-23818475/35164940

Email: info@vccipl.com

Share Transfer Process & Dematerialisation

Pursuant to SEBI circular dated January 25, 2022, all listed companies shall issue securities in dematerialised form only, for processing any service request from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition etc. 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 www.hil.in. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerialising those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

In view of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialisation.

Secretarial Audit and Other Certificates

M/s. P.S. Rao & Associates, Practising Company Secretaries has conducted a secretarial audit of the Company for FY

2022-23. 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. P.S. Rao & Associates, Practising Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2023.

Pursuant to Regulation 40(9) of the SEBI Listing Regulations, a yearly certificate has been issued by a Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company.

Company Secretary in practice has carried out a quarterly Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL & 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.

Distribution of Equity Shares as on March 31, 2023:

S. No.	Range	No. of Shares	Percentage to Capital	No. of Shareholders	Percentage to Total
1	Upto - 500	1656599	21.98	39562	97.61
2	501 - 1000	371785	4.93	501	1.24
3	1001 - 2000	349994	4.64	248	0.61
4	2001 - 3000	192866	2.56	77	0.19
5	3001 - 4000	75476	1.00	22	0.05
6	4001 - 5000	165115	2.19	36	0.09
7	5001 - 10000	277088	3.68	41	0.10
8	10001 and above	4448640	59.02	44	0.11
Total		7537563	100.00	40531	100.00

Shareholding Pattern as on March 31, 2023:

S. No.	Category of shareholders	No. of share holders	Total no. of shares held	% of holding
A	Shareholding of Promoter and Promoter Group			
i.	Indian	11	3059212	40.59
ii.	Foreign	-	-	-
	Sub-total	11	3059212	40.6
B	Public shareholding			
i.	Institutions	74	475831	6.31
ii.	Central Government/State Government	1	305552	4.05
iii.	Non-institutions	40445	3696968	49.05
	Sub-total	40520	4478351	59.41
C	Shares held by Custodians and against which Depository Receipts have been issued			
i.	Promoter and Promoter Group	-	-	-
ii.	Public	-	-	-
	TOTAL (A) + (B) + (C)	40531	7537563	100

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, 2023, 99.42% of the equity shares of the company i.e. 7493876 equity shares are held in dematerialized form and remaining 0.58% i.e. 43687 equity shares are in physical form.

Entire equity shareholding of the Promoters of the company is held in dematerialized form.

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

The company has not issued any GDRs/ADRs/Warrants etc., during the financial year 2022-23.

As on March 31, 2023, a total of 3,336 options were outstanding under "HIL Limited Employee Stock Option Scheme 2019". Each option is convertible into one equity share of facevalue ₹ 10/- each.

Commodity Price Risk or Foreign Exchange Risk and hedging activities:

During the year 2022-23, 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, Amadalsahpur -124146
6	Jharkhand	AC Sheets	Jasidih, Industrial Area - 814142
7	Tamilnadu	Fly Ash Blocks	Chennai, Kannigaiper Vil., Tiruvallur District -601102
8	Maharashtra	AC Sheets	Wada, Musarane Vil., Thane District - 421312
9	Uttar Pradesh	AC Sheets	Sathariya, SIDA, Jaunpur District - 222022

S. No.	State	Products Manufactured	Location
10	Odisha	AC Sheets & Boards	Balasure, 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, Balasure
13	Gujarat	Fly Ash Blocks, Dry Mix Products and Pipes & Fittings	Golan (Village), Valod Taluka, Tapi District – 394640
Wind Mills			
12	Gujarat	3.60 MW (2x1.80 MW)	Kutch District, Gujarat
13	Tamil Nadu	1.25 MW	Coimbatore, Tirupur District, Tamil Nadu
14	Rajasthan	2.50 MW (2x1.25 MW)	Jodhpur District, Rajasthan
15	Rajasthan	2.00 MW	Jaisalmer District, Rajasthan

Credit Ratings obtained by the Company

The details of Credit Ratings obtained by the Company have been disclosed in the Board's Report which forms part of this Annual Report.

8. OTHER DISCLOSURES:

a. Related Party Transactions:

In line with the requirements of the Companies Act, 2013 ('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 same is available on the Company's website at <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 2022-23 were on arm's length basis and in the ordinary course of business and 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. 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 one material related party transaction in terms of Section 188(1) of the Act read with the relevant rule. Accordingly, the disclosure of 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 listed entity 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 Act 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 and designated employees of the company. The Code requires pre-clearance for dealing in the company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the company and during the period when the Trading Window is closed. The Company Secretary/ Compliance Officer 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 <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, 2023. A declaration to this effect signed by Managing Director & CEO forms part of this report as an Annexure.

f. Other Policies under the SEBI Listing Regulations:

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

g. Policy on Determination of Materiality for Disclosure of Events or Information as per Regulation 30 of the SEBI Listing Regulations are available on the

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	August 27, 2018	Germany	KPMG, Germany	April 26, 2023

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 <http://hil.in/investor-relations/policies/>

website of the Company at <https://hil.in/wp-content/uploads/2018/04/HIL-POLICY-ON-DISCLOSURE-OF-MATERIAL-EVENTS-V1.pdf>

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

i. Accounting Treatment in preparation of Financial Statements

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

j. CEO & CFO Certification

The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the SEBI Listing Regulations pertaining to CEO & CFO certification for the year ended March 31, 2023. The Certificate forms part of this Report.

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 it's Directors are interested except to its wholly-owned subsidiary company HIL International GmbH. Details of the same forms part of financial statement.

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 and its subsidiaries, on a consolidated basis 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 ₹ 127.80 Lakhs.

q. 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, as a Member 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.

r. 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, 2023 forms part of this report.

s. Mandatory Requirements:

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

t. 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: 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 the observations, review, comments, recommendations etc. through Internal Audit presentation by the Internal Auditor of the company.

On behalf of the Board of Directors
HIL Limited

Sd/-

CK Birla

Chairman

DIN No. 00118473

Place: New Delhi

Date: May 15, 2023

DECLARATION BY THE MANAGING DIRECTOR

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 2022-23.

Sd/-

Akshat Seth

Managing Director & CEO

DIN: 10039820

Place: New Delhi

Date: May 15, 2023

Annexures to CG Report

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 No 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 by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 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 other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment
1	Mr. Akshat Seth	10039820	11.02.2023
2	Mr. Velloor Venkatakrishnan Ranganathan	00060917	19.03.2019
3	Mr. Chandrakant Birla	00118473	04.02.1980
4	Mr. Desh Deepak Khetrpal	02362633	28.10.2013
5	Dr. Arvind Sahay	03218334	08.02.2019
6	Ms. Gauri Rasgotra	06862334	08.05.2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. 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

Sd/-

Mohit Gurjar

Partner

M. No. 20557

C P No: 18644

UDIN: A020557E000310209

Place: Hyderabad

Date: May 15, 2023

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 our Company for the financial year ended 31st March, 2023 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 our 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 our 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 our 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.

Sd/-

Saikat Mukhopadhyay
Chief Financial Officer

Place: New Delhi
Date: May 15, 2023

Sd/-

Akshat Seth
Managing Director & CEO
DIN: 10039820

Place: New Delhi
Date: May 15, 2023

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 16 March 2023.
2. We have examined the compliance of conditions of Corporate Governance by HIL Limited ("the Company"), for the year ended 31 March 2023, 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 2023.
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

Sd/-
Vikash Somani
Partner

Place: Hyderabad
Date: 15 May 2023

Membership No: 061272
UDIN: 23061272BGYRVP3338

Annexure (IV): Details of Related Party Transactions

FORM NO. AOC 2

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

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

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements 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, relative of Mr. Chandrakant Birla, Chairman and Non-executive Director of the Company	Ms. Avanti Birla was appointed as President-Strategy on an annual remuneration of Rs.150.00 Lakhs per annum and such other terms, conditions and benefits as per the policies of the Company to the grade of her appointment.	Ongoing	Ms. Avanti Birla was appointed as President-Strategy on an annual remuneration of Rs.150.00 Lakhs per annum and such other terms, conditions and benefits as per the policies of the Company to the grade of her appointment.	May 6, 2022	Not applicable

For and on behalf of the Board of Directors

Place: New Delhi
Date: May 15, 2023

Sd/-
CK Birla
Chairman
DIN: 00118473

Annexure (V): Secretarial Audit Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2023

[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
Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s 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 the Company'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, 2023** has 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:

1. 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, 2023 according to the provisions of:
 - i. The Companies Act, 2013 ('the Act') and the amendments rules made thereunder;
 - ii. The Securities Contracts ('Regulation') Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - 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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - c. 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;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
3. The industry specific major law that is applicable to the company is Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 under the Environment (Protection) Act, 1986.
4. We have also examined compliance with the applicable clauses of the following:
 - a. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - b. Secretarial Standards issued by the Institute of Company Secretaries of India and notified under the Act.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, 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 provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 year under report, the Company has issued and allotted Equity Shares to Employees under HIL Employees Stock Option Scheme 2019.

For P.S. Rao & Associates
Company Secretaries

Place: Hyderabad
Date: May 15, 2023

Sd/-
P S Rao
Partner
M. No. F10322
C P No: 3829
PR: 710/2020
UDIN: F010322E000306849

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

Annexure A

To
The Members
HIL Limited
Hyderabad

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

1. Maintenance of secretarial and other statutory record is the responsibility of the management of the company. Our responsibility is to express an opinion on these 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. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of 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 procedures 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 P.S. Rao & Associates
Company Secretaries

Place: Hyderabad
Date: May 15, 2023

Sd/-
P S Rao
Partner
M. No. F10322
C P No: 3829
PR: 710/2020
UDIN: F010322E000306849

Annexure (VI): Report on Subsidiaries & Joint Ventures

FORM AOC-1

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

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

Part "A": Subsidiaries:

₹ in Lacs unless otherwise mentioned

Name of the subsidiary		HIL International GmbH, Germany	Parador Holdings GmbH, Germany	Parador GmbH, Germany	Parador Parkettwerke GmbH, Austria	Parador UK Limited, United Kingdom
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	01.04.2022 – 31.03.2023	01.04.2022– 31.03.2023	01.04.2022 – 31.03.2023	01.04.2022 – 31.03.2023	13.07.2022 – 31.03.2023
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year.	Reporting currency: Euro Exchange rate: a. Average rate ₹ 83.68223/ Euro is considered for P&L items b. Closing rate ₹ 89.4667/ Euro is considered for balance sheet items				Reporting currency: GBP Exchange rate: a. Average rate ₹ 95.37682/ GBP is considered for P&L items b. Closing rate ₹ 101.759425/ GBP is considered for balance sheet items
3	Paid-up share capital	€34025000	€100000	€25000	€327027.75	GBP NIL
4	Reserves & Surplus	16856.43	9068.77	1.41	10930.33	NIL
5	Total Assets	65110.92	29769.03	57203.50	22123.83	828.22
6	Total Liabilities	20736.26	20610.80	57179.72	10918.56	810.07
7	Investments	48336.07	23.32	7701.82	NIL	NIL
8	Turnover	NIL	NIL	130418.97	35500.61	639.16
9	Profit/ (loss) before taxation	(4037.69)	NIL	NIL	(3.74)	21.34
10	Provision for taxation (Tax expenses)	1303.85	NIL	NIL	(12.76)	(4.32)
11	Profit/ (loss) after taxation	(2733.84)	NIL	NIL	(16.50)	17.20
12	Proposed Dividend	NIL	3898.64	3741.79	NIL	NIL
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

- Names of subsidiaries which are yet to commence operations: Not applicable
- Names of subsidiaries which have been liquidated or sold during the year: Not applicable

Part "B": Associates and Joint Ventures

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

S. No	Name of Joint Ventures	Supercor Industries Limited, Nigeria	Parador (Shanghai) Trading Co., Ltd., China
1	<ul style="list-style-type: none"> ▪ Last audited balance sheet date ▪ Latest Balance Sheet 	31 st December, 2015 Refer note no. 46 to consolidated notes to Accounts.	31 st December, 2022 Refer note no. 46 to consolidated notes to Accounts.
2	Shares of Joint Ventures held by the company on the year end		
	<ul style="list-style-type: none"> ▪ Number ▪ Amount of Investment in JV ▪ Extent of Holding 	4125000 equity shares of Naira 1/- each ₹ 142.60 Lakhs 33%	One share of EURO 100,000 each ₹ 202.59 Lakhs 50%
3	Description of how there is significant influence	There is no significant influence	There is no significant influence
4	Reason why the associate/joint venture is not consolidated	Refer note no. 46 to consolidated notes to Accounts	Refer note no. 46 to consolidated notes to Accounts
5	Net worth attributable to shareholding as per latest Balance Sheet	Refer note no. 46 to consolidated notes to Accounts	Refer note no. 46 to consolidated notes to Accounts
6	Profit/Loss for the year		
	<ul style="list-style-type: none"> ▪ Considered in Consolidation ▪ Not Considered in Consolidation 	Refer note no. 46 to consolidated notes to Accounts	Refer note no. 46 to consolidated notes to Accounts

1. Names of associates or joint ventures which are yet to commence operations: Not applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year : Not applicable

For and on behalf of the Board of Directors

 Sd/-
CK Birla
 Chairman
 DIN: 00118473

 Sd/-
Akshat Seth
 Managing Director & CEO
 DIN: 10039820

 Place: New Delhi
 Date: May 15, 2023

 Sd/-
Saikat Mukhopadhyay
 Chief Financial Officer

Annexure (VII) Statement of Disclosure of Remuneration

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2022-23, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2022-23:

S. No.	Name of the Director/ KMP (Designation)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration over previous year
Non-Executive Directors			
1	Mr. CK Birla (Chairman)	6.68	Nil
2	Mr. Desh Deepak Khetrpal (Non-Executive Director)	2.67	Nil
3	Mr. VV Ranganathan (Independent Director)	2.67	Nil
4	Ms. Gauri Rasgotra (Independent Director)	2.01	Nil
5	Dr. Arvind Sahay (Independent Director)	2.01	Nil
Executive Director(s)			
6	Mr. Akshat Seth* (Managing Director and CEO)	11.47	Refer note (a) below
7	Mr. Dhirup Roy Choudhary (Managing Director & CEO) (till January 31, 2023)	118.95	Refer note (b) below
8	Mr. Saikat Mukhopadhyay (Chief Financial Officer) (w.e.f. July 29, 2022)	20.61	Refer note (a) below
9	Mr. KR Veerappan (Chief Financial Officer) (till May 10, 2022)	15.87	Refer note (b) below
10	Mr. Mahesh Thakar (Company Secretary & Head Legal) (till January 27, 2023)	9.25	Refer note (b) below

*Appointed as Chief Executive Officer & Key Managerial Personnel w.e.f. February 1, 2023 and as Managing Director w.e.f. February 11, 2023

Note:

1. a. % of increase remuneration for the financial year 2022-23 could not be provided for Mr. Akshat Seth, Managing Director & CEO and Mr. Saikat Mukhopadhyay, Chief Financial Officer as they were appointed during the financial year w.e.f. February 1, 2023 and July 29, 2022 respectively.
- b. % of increase remuneration for the financial year 2022-23 could not be provided for Mr. Dhirup Roy Choudhary, Mr. KR Veerappan and Mr. Mahesh Thakar as they resigned during the year.
2. The median remuneration of employees of the company during the financial year 2022-23 was ₹ 7.48 Lakhs against the median remuneration of ₹ 5.29 Lakhs during the previous year signifying an increase of 41% in the financial year.
3. As on 31st March 2023, there were 1745 permanent employees on the rolls of the company.
4. Average percentage increase made in salaries of employees other than managerial personnel in financial year 2022-23 was 11% whereas the percentage increase in managerial remuneration for managerial personnel i.e. MD & CEO, for the same year may not be comparable as there was a change in Managing Director & CEO of the company during the year.
5. 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.

On behalf of the Board of Directors
HIL Limited

Sd/-
CK Birla

Chairman

DIN: 00118473

Place: New Delhi
Date: May 15, 2023

Annexure (VIII) 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

Company in its efforts to conserve and optimise the use of energy, has installed energy efficient blowers, vacuum pumps, back water pumps and other equipment in all its plants. Energy efficient lighting system and modernised mechanical devices/systems were also installed for optimum usage of power. Effective controls are exercised in operation of the plants for optimum usage of power and fuel.

II. Steps taken by the company for utilising alternate sources of energy

The company has total 9.35MW capacity wind turbine generators installed in Gujarat, Tamil Nadu and Rajasthan. The energy generated from these projects is partly used for captive consumption at the company's Fly-Ash Bricks (AAC) manufacturing units in Gujarat and Tamil Nadu. The company is making constant efforts to explore further areas of improvement as part of ongoing program to optimise usage of energy. The company has installed solar panels at its manufacturing plants located at Chennai, Tamil Nadu and Faridabad, Haryana to reduce its carbon foot print. The company is in process of evaluating installation of solar panels at the company's Pipes & Fittings manufacturing unit in Gujarat.

III. Capital investment on energy conservation equipment

During the year, the company has invested on energy conservation equipment in plants by changing the designs through optimized horse power and process, elimination of idle running of motors using logic circuitry and through energy efficient pumps consuming lower power with better efficiency.

B. Technology absorption

I. Efforts made towards technology absorption

The company is continuously endeavouring to upgrade its technology from time to time 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 is carried out by the company are:

- a. Filed four patent applications in India for the following:
 - i. Surface modified drum for colour coated fibre cement roofing sheets

- ii. Design application - tile (two applications)

- iii. "White cement - free" wall putty composition

- b. Charminar Fortune PCT patent has been filed successfully in eleven countries
- c. During the year six patents were granted of which three were overseas
- d. The company was able to develop through its in-house R&D facility - smart plus red oxide, primer, exterior border emulsion coat, metal care enamels, wood primer, black bituminous coating, thinner for enamel, NC sanding sealer, distemper colour, aluminium paint, solvent thinnable multipurpose primer, tile adhesives T2, foam core pipes, acrylic texture, coarser putty, etc.,
- e. Improving cost effectiveness and quality of products through improved manufacturing processes, by developing new mix of raw materials including substitutes to mitigate the risk of rising raw material prices.

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

The cost of production was reduced by usage of cost effective raw materials, reduction in power consumption and improving technical efficiencies. Introduction of value added products helped in increasing customer base. Developing new mix of raw materials including its substitutes to mitigate the risk of rising raw material prices.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable

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

IV. Expenditure incurred on Research and Development: ₹ 704.67 Lakhs

C. Foreign exchange earnings and outgo

Efforts to identify export opportunities for the products of the company continued during the year under review. The company is exploring other offshore markets to increase the quantum of exports, particularly in the Middle East, Asian, Far East and African countries.

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

S. No	Particulars	2022-23 (₹ in Lakhs)	2021-22 (₹ in Lakhs)
A	Foreign Exchange Earned		
	Export of Goods (FOB)	44.40	95.47
	Others	99.93	351.05
	Total	144.33	446.52
B	Foreign Exchange Used		
	Raw Materials, Components, Spares and Capital Goods (CIF)	44618.46	39210.41
	Others	233.43	97.88
	Total	44851.90	39308.29

On behalf of the Board of Directors

HIL Limited

Sd/-

CK Birla

Chairman

DIN No. 00118473

Place: New Delhi

Date: May 15, 2023

Annexure (IX): Business Responsibility and 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	Office No. 1 & 2, L7 Floor, SLN Terminus, Survey no. 133, Near Botanical Gardens, Gachibowli, Hyderabad-500032, Telangana, India
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, 2022 to March 31, 2023
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	INR 756.48 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. Saikat Mukhopadhyay Designation: Chief Financial Officer Phone: 040-68249000 E-mail: cs@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

II. Products/Services:

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

S.No.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Roofing solutions	Manufacture and sale of fibre cement autoclave roofing sheets	52%
2.	Building solutions	Manufacture and sale of autoclaved aerated concrete blocks (fly ash blocks), fibre cement board and panels.	24%
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%

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

S.No.	Product/Service	NIC Code	% of total turnover contributed
1.	Fibre Cement Sheets and Panels	23953	61.1%
2.	UPVC and CPVC Pipes and Fittings	22209/22208	16.2%
3.	Putty and Dry Mix	23949/23929	8.5%
4.	Fly Ash Blocks	23954	14.0%

III. Operations:

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

Location	Number of plants	Number of offices	Total
National	12 manufacturing locations with 25 plants	4 Regional offices and 42 sales depots	60
International		NIL	

17. Markets served by the entity:

- a. Number of locations

Locations	Number
National (No. of States)	28 states and 8 union territories
International (No. of Countries)	5 countries — Nepal, Somalia, Angola, Maldives and Turkey

- b. What is the contribution of exports as a percentage of the total turnover of the entity: 0.8%

- c. A brief on types of customers

HIL's customer base includes those purchasing materials for construction, repair or/and renovation of standalone properties as well as retailers, poultry farms, goshalas and warehouses. It also includes institutional customers (infrastructure companies, builders and contractors) purchasing materials for medium to large-scale infrastructure projects.

IV. Employees:

18. Details as at the end of 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)	1086	1037	95.5%	49	4.5%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total employees (D + E)	1086	1037	95.5%	49	4.5%
WORKERS						
4.	Permanent (F)	659	656	99.5%	3	0.5%
5.	Other than Permanent (G)	4497	4467	99.3%	30	0.7%
6.	Total workers (F + G)	5156	5123	99.3%	33	0.6%

Note: 1. All management team members have been considered as permanent employees

2. All associates and non-management employees have been considered as permanent workers

3. All contract workers have been considered as other than permanent worker

- 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%	0	0%
2.	Other than permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	1	1	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	1	1	100%	0	0%
6.	Total differently abled workers (F + G)	1	1	100%	0	0%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel*	1	0	0

*Excluding Managing Director & CEO

20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.9%	2.6%	25.5%	16.6%	1.6%	18.2%	7.6%	12.3%	19.9%
Permanent Workers	7.89%	0%	7.89%	6.29%	0%	6.29%	9.80%	0%	9.80%

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

21. 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 listed entity	Does the entity indicated at 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 and 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:

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): **Yes**(ii) Turnover (in Rs.): **2155.21 Crores**(iii) Net worth (in Rs.): **1114.19 Crores**

VII. Transparency and Disclosures Compliances:

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities Investors (other than shareholders) Shareholders Employees and Workers Customers Value Chain Partners	https://hil.in/investor-relations/policies/	Nil		NA	Nil		NA

24. 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, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water Efficiency, Recycle and Reuse	Opportunity	<ul style="list-style-type: none"> Cost reduction through efficient water usage and recycling measures Improve groundwater levels 	HIL has installed: <ul style="list-style-type: none"> Flow meters to monitor water consumption in the plant. Rainwater harvesting systems across operating units to improve groundwater levels. Storm water collection ponds for collecting runoff water during monsoons. In-house sewage treatment facilities. Treated waste water is reused in gardening. 	Positive

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Circular Economy	Risk	<ul style="list-style-type: none"> Manage the increased waste generation in the industry The rising cost of input raw materials Increase in cost of waste disposal 	<ul style="list-style-type: none"> The Company is reusing the waste generated in plants, wherever possible Waste which cannot be reused in plants is being sent to authorised recyclers 	Negative
3	GHG emissions	Risk	<ul style="list-style-type: none"> Release of emissions in manufacturing process Regulations on GHG emissions 	<p>HIL is:</p> <ul style="list-style-type: none"> Designing innovation-led solutions to reduce GHG emissions from products. Adopting efficient motors and LED lights to improve energy efficiency across operations. Tracking and minimising Scope 1 and 2 emissions. 	Negative
4	Sustainable products	Opportunity	<ul style="list-style-type: none"> Respond to increasing consumer awareness and demand for sustainable products Maintain reputation as a sustainability focused organisation Strengthen product differentiation 	<ul style="list-style-type: none"> The Company is collaborating with research institutes to develop products with a low carbon footprint and produce environment-friendly products. 	Positive
5	Sustainable Supply Chain	Risk	<ul style="list-style-type: none"> Vendors may be called out for harmful environmental and social practices Rising commodity prices and availability 	<ul style="list-style-type: none"> Engage with vendors/ supplier base to build a robust and sustainable supply chain. Evaluate work with vendors who align with HIL's sustainability commitments 	Negative
6	Renewable Energy	Risk	<ul style="list-style-type: none"> Increasing cost of fossil fuel-based energy Increased use of renewable energy by global peers Regulatory obligations 	<ul style="list-style-type: none"> HIL is reducing dependency on conventional sources of energy wherever possible. 	Negative

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Corporate Governance	Risk	<ul style="list-style-type: none"> Non-compliance with regulatory and statutory requirements can impact operations, the ability to raise funds in the future and the valuation of the Company. 	<ul style="list-style-type: none"> The Company has risk management plan & process in place to identify risks and implement mitigation measures. 	Negative
8	Sustainable innovation	Opportunity	<ul style="list-style-type: none"> Gaining a competitive edge through innovative products Increased revenue from non-asbestos products 	<ul style="list-style-type: none"> The Company's R&D team collaborates with research institutes to develop innovative and sustainable products. 	Positive
9	Occupational Health & Safety	Risk	<ul style="list-style-type: none"> Employee Health and Safety (EHS) incidents pose regulatory, reputational and business continuity risks. The risk of failure / non-compliance can impact business operations. 	<ul style="list-style-type: none"> HIL has implemented a management of change procedure (MOC) to capture any process-related changes by conducting hazard identification and risk assessments (HIRA) to determine the potential impacts of the changes on humans and property. HIRA is an ongoing process. The risk register is kept updated to mitigate risks. 	Negative
10	Product Safety	Risk	<ul style="list-style-type: none"> Product safety issues might impact the Company's ability to fulfil customer demand and create value for stakeholders. 	<ul style="list-style-type: none"> The Company offers a safe work environment during product manufacturing to prevent hazards to workers engaged in transporting/shipping the product, site/ construction workers, and users of products. The Company ensures that the use of its products does not impact the environment. 	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 and Accountability	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2 - Product Lifecycle Sustainability	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3 - Employee Well-being	Businesses should promote the well-being of all employees
P4 - Stakeholder Engagement	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5 - Human Rights	Businesses should respect and promote human rights
P6 - Preservation of Environment	Business 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 and 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	No	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	No	Yes	Yes	NA	Yes	Yes
c. Web Link of the Policies, if available	The following policies are available on website of the Company www.hil.in The policies related to employee wellbeing and product quality are available on intranet of the Company.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company's value chain partners do not participate in its BRSR initiatives. However, they are encouraged to adopt such practices and follow responsible business practices.								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the entity and mapped to each principle	ISO 9001 ISO 27001-2013 IS-15778:2007, IS-13592:2013, IS-4983:2000 (Faridabad, Golan & Thimmapur) IS-7834: Part-1:1987, IS-14735:1999 (Golan), IS-14871:2000 (Kondapalli) IS-2185:Part-3:1983 (Thimmapur, Chennai, Jhajjar, Golan) IS-459:1992 (Kondapalli, Faridabad, Sathariya, Wada, Jasidih, Balasore)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	<ul style="list-style-type: none"> To deliver a diversified portfolio of eco-friendly products and solutions fuelled by innovation To build a strong corporate brand present on 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 the highest standards of quality, corporate social responsibility, safety, health and environment. 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	<ul style="list-style-type: none"> Received GRIHA certification for sandwich products Implemented artificial intelligence (AI) cameras in danger zones of machines to prevent high-severity injuries to the workers Cost reduction and process improvement through lean six sigma Faridabad plant's green belt covers a percentage area more than the regulatory requirement Rainwater harvesting and utilization of greener fuels Chennai plant is making briquettes made of de-oiled cashew that is used in the boiler 								

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)									
<p>HIL is dedicated to incorporating ESG principles into its operations and is committed to ethical and equitable business practices that foster the holistic well-being of its workforce, value chain partners, community members and other stakeholders. The Company upholds the values of product stewardship by developing safe products and services that do not impact human health and the environment. HIL is strengthening its Research and Development (R&D) capabilities to innovate and manufacture environment-friendly products. Today, HIL's solutions help reduce the carbon footprint of buildings and constructions and contribute to the Company's market reputation as a green, one-stop building materials company.</p> <p>The Company provides its employees and business partners with a working environment that is fair, safe, healthy, and hygienic. HIL has a structured CSR Policy that guides its social development activities.</p>									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Akshat Seth, Managing Director & CEO (DIN : 10039820) under the guidance of the Board of Director & its committees is responsible for implementation & 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.	Yes, the Managing Director & CEO of the company is responsible for decision-making on sustainability related issues. This Committee provides valuable direction and guidance to the Management to ensure that Safety and Sustainability implications are duly addressed in all new strategic initiatives, budgets, audit actions and improvement plans.								
10. Details of Review of NGRBCs by the Company:									
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee			Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify) - Ongoing					
Performance against above policies and follow up action	As a practice, Business Responsibility policies of the Company are reviewed periodically or on a need basis by the senior leadership team including Managing Director & Chief Executive Officer. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company complies with the existing regulations and a Statutory Compliance Certificate on applicable laws is provided by the Managing Director & Chief Executive Officer and Chief Financial Officer and Company Secretary to the Board of Directors.								
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.	The Senior Management and Board Committees of the Company conduct a periodic evaluation of the charters and policies and drives the policies, initiatives and performance of the areas of corporate responsibility and sustainability.								
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)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)	Except for P7, all principles are covered by policies.								

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 respective category covered by the awareness programmes
Board of Directors		The familiarisation and other training programmes are aligned with the material topics as identified during the stakeholder consultation, including, but not limited to:	
Key Managerial Personnel	The Board of Directors and Key Management Personnel (KMPs) have attended approximately 23 familiarisation programmes during the Board meetings and other Committee meetings	<ul style="list-style-type: none"> ▪ Compliance and regulatory changes ▪ Governance ▪ Occupational health and safety ▪ Business growth and strategy ▪ Environment and sustainability ▪ Corporate social responsibility ▪ Product training ▪ Career conversation workshop ▪ Customer centricity ▪ Enabling performance with competencies 	100%
Employees other than BoD and KMPs	30	<ul style="list-style-type: none"> ▪ Enhancing self-confidence Good to better communication ▪ IT tools training ▪ Six Sigma ▪ ISO 9001 ▪ Safety ▪ Sales ▪ Cyber security awareness session ▪ COVID awareness ▪ Occupational diseases ▪ Working at heights ▪ PPE usage ▪ Electrical Safety ▪ Behavioural Safety 	88.76%
Workers (Permanent)	12	<ul style="list-style-type: none"> ▪ First aid ▪ Firefighting ▪ Human rights ▪ POSH ▪ Code of conduct ▪ Work permit system ▪ Environmental awareness 	89%

From time to time, open house sessions with employees are held where the Managing Director & CEO (MD & CEO) provides business updates, challenges and other company developments, new environmental and social initiatives, and so on. These sessions see strong participation of employees in person or through video/ audio conference calls. In addition to these engagements, the plant and functional leadership teams hosted several sessions in smaller groups to reiterate various principles, values and policies across levels throughout the reporting year.

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 Obligations) Regulations, 2015 and as disclosed on the entity’s website):**

The Company periodically analyses regulatory compliance risks for its business and takes necessary actions to mitigate them. An online tool, 'Kavach' administered by the company's Compliance Officer, maps compliance with statutory requirements for business activity.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment			Nil	

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:** 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 the Company's Code 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 every quarter and a summary of Audit committee discussions are updated to the Board.

The Company ensures employees are aware of and understand the Whistle Blower mechanism and Code of Conduct to ensure effective implementation. The relevant policies can be accessed at <https://hil.in/investor-relations/policies/>

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 2022-23	FY 2021-22
Directors		
KMPs		
Employees	Nil	Nil
Workers		

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

	FY 2022-23		FY 2021-22	
	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				

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

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 value of business done with such partners) under the awareness programmes
10 Unique Programmes (Conducted at multiple locations with different periodicity)	Awareness programmes for channel partners, influencers and customers to improve: <ul style="list-style-type: none"> ▪ Product knowledge ▪ Construction practices/learnings from a technical standpoint ▪ Cost saving measures ▪ Knowledge about value-added services provided by the technical team ▪ Technical training sessions at Plants ▪ Health programmes for value chain partners and their family members. 	55%

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, 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 under 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 and their role therein. The Senior Management also affirms annually 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.

In the meetings of the Board, the Directors abstain from participating in the items in which they are concerned or interested. For identifying and tracking conflict of interests involving the Directors / KMPs of the Company, the Corporate Secretarial team maintains a database of the Directors and the entities in which they are interested. This list is shared with the finance department which flags off the parties in their system for monitoring and tracking transaction(s) entered by the Company with such parties.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE:

Essential Indicators:

- 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 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	60%	60%	Non-asbestos fibre cement corrugated roofing sheet (Charminar Fortune) received GreenPro certification
Capex	72%	37%	

- Does the entity have procedures in place for sustainable sourcing? (Yes/No): Yes
 - If yes, what percentage of inputs were sourced sustainably?

The company's robust sourcing practices balance cost-effective procurement of quality and responsible products with opportunities to promote societal development across the manufacturing life cycle.

HIL builds mutually beneficial relationships with vendors and guides them on process and system improvements. The Company aims to use sustainable transportation systems that are fuel-efficient, have lower emissions and are less polluting. Sourcing from local / nearby areas also reduces the carbon footprint associated with the transportation of input materials. The Company sources fibre and cement in bulk-size vessels and uses waste/by-products from other industries as input materials. HIL purchases energy-efficient office supplies and uses managed services for printers. 100% of our critical raw materials are sourced sustainably.

HIL intends to introduce an e-procurement tool that will be connected with its Enterprise Resource Planning tool to make the process more reliable and transparent. This will result in improved vendor communication and a significant reduction in paperwork and associated travel, lowering the carbon footprint and saving cost.

- 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:

When the Company's products reach the end of their life, they are converted into Construction and Demolition waste. As a result, the safe recovery of items for reuse, recycling, and disposal at the end of their life does not fall within the Company's responsibility.

HIL is in the process of getting registered as a Brand Owner under Plastic Waste Management Rules. It is also preparing targets and measures to safely reclaim the packaging material of its products.

- 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 EPR registration as an Importer. The registration as a brand owner is under process.

Leadership Indicators:

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

NIC Code	Name of the Product/ Service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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HIL has not conducted LCA for any of its key products during the financial year 2022-23

2. If there are any significant social or environmental concerns and/or risks arising from 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: Not applicable

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Dry Waste Recycling- Identified defective products are ground and reused in the process	1.5*	1.5*

*HIL's boards, sheets, pipes and fittings manufacturing plants use input material recovered from Dry Waste Recycling.

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:

	FY 2022-23			FY 2021-22		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	HIL is in the process of getting registered as a Brand Owner under the Plastic Waste Rule. The Company is setting targets and measures to reclaim the packaging material of its products safely.					
E-waste	Not applicable					
Hazardous waste	The Company's products are used for construction by the end consumer. The hazardous component in HIL products is very low. At the end of life, the consumer hand over the product to relevant vendors in line with regulations.					
Other waste	Not applicable					

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
Refer to question number 3 of the essential indicators for information	

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		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	1037	1037	100%	1037	100%	0	0%	1037	100%	0	0%
Female	49	49	100%	49	100%	49	100%	0	0%	0	0%
Total	1086	1086	100%	1086	100%	49	5%	1037	95%	0	0%
Other than Permanent Employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	656	656	100%	656	100%	0	0%	656	100%	0	0%
Female	3	3	100%	3	100%	3	100%	0	0%	0	0%
Total	659	659	100%	659	100%	3	0.5%	656	99.5%	0	0%
Other than Permanent Workers											
Male	4467	4467	100%	4467	100%	0	0%	4467	100%	0	0%
Female	30	30	100%	30	100%	30	100%	0	0%	0	0%
Total	4497	4497	100%	4497	100%	30	0.67%	4467	99.33%	0	0%

Note: The health insurance, accident insurance, maternity and paternity benefits are provided to workers under ESI

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

Benefits	FY 2022-23			FY 2021-22		
	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	11%	72%	Yes	11%	100%	Yes
Others – please specify	Not applicable					

Note: Only permanent employees and permanent workers have been considered

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:

Currently, HIL assists differently abled visitors to access its premises or offices comfortably. The Company is evaluating the right measures to make its office premises accessible for differently abled employees and workers and will implement the necessary measures in due course of time.

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

Yes, HIL's recruitment and referral policies specifically mention people with disabilities having an equal right to employment at the Company. The Company's HR policies are available on the internal portal.

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	84.4%	100%	100%
Female	100%	50%	100%	100%
Total	100%	82%	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	A grievance committee has been constituted to address the grievances of the permanent workers. Registers are kept in all the factories to receive complaints.
Other than Permanent Workers	Grievance boxes are kept in the plant locations to receive grievances from contract workers. Once in a month, the plant's leadership team discusses all the grievances received and suitable actions are taken.
Permanent Employees	HIL has an online portal for grievance management for permanent employees
Other than Permanent Employees	Not applicable

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

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1086	0	0%	990	0	0%
-Male	1037	0	0%	929	0	0%
-Female	49	0	0%	61	0	0%
Total Permanent Workers	659	278	42.2%	621	280	45%
-Male	656	278	42.4%	621	280	45.1%
-Female	3	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	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)
Permanent Employees										
Male	1037	1037	100%	916	88.3%	929	929	100%	721	77.6%
Female	49	49	100%	48	98%	61	61	100%	57	93.4%
Total	1086	1086	100%	964	88.8%	990	990	100%	778	78.6%
Permanent Workers										
Male	656	656	100%	656	100%	621	621	100%	621	100%
Female	3	3	100%	3	100%	0	0	0%	0	0%
Total	659	659	100%	659	100%	621	621	100%	621	100%

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Permanent Employees						
Male	1037	803	77.4%	929	882	95%
Female	49	48	98%	61	56	92%
Total	1086	851	78.4%	990	938	95%
Permanent Workers						
Male	656	656	100%	621	621	100%
Female	3	3	100%	0	0	0%
Total	659	659	100%	621	621	100%

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?

Yes, the Company places the highest importance on health and safety of its employees and workers. It closely monitors the Environment and Occupational Health and Safety of operations and people and ensures all applicable practices are followed. HIL's health and management system complies with global and national standards and applies to 100% of its employees and workers.

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

Hazard Identification and Risk Assessment (HIRA) is an important measure adopted by HIL to ensure workplace safety and minimise potential risks to workers.

The Company determines hazards through a structured process as outlined below:

- **Identify hazards:** Accident reports are reviewed, the workplace inspected and interviews are conducted with workers to identify potential hazards. These include anything that could cause harm to workers, such as electrical, chemical or physical hazards.
- **Assess risks:** Once identified, the level of risk associated with each hazard is assessed. This involves determining the likelihood of an incident occurring and the severity of the potential harm using a 5X5 risk matrix.
- **Determine controls:** Thereafter, the controls that can be implemented to minimise or eliminate the risks are determined. This can include engineering controls (such as installing guardrails), administrative controls (such as establishing safe work procedures) or personal protective equipment (PPE) (such as providing workers with respirators).

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. Employees are encouraged to communicate ways to improve safety protocol. They drop written ideas into a suggestion box. These are then reviewed by the head of the plant and acted upon, depending on the severity of the incident.

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

Yes, a focus on employee health begins at the start of the employment process with a pre-employment medical check-up and continues during the employment and post-employment phases. During periodic medical examinations, tailor-made health education and counselling sessions are conducted for employees. HIL has established a system for the medical surveillance of employees' overall health, covering both occupational and non – occupational diseases.

Non-occupational diseases: The first step in the process is early diagnosis, followed by treatment. Next, steps are taken to prevent the onset of complications and untimely demise. The Company's interventions have minimised morbidity and mortality rates. The final step in this process is administering health education to reiterate the importance of healthy practices and ergonomics.

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

Safety Incident/ Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.49	0.90
Total recordable work-related injuries	Employees	0	0
	Workers	4	5
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

Ensuring a safe and healthy workplace is critical to the success of any organisation. To achieve this goal, we typically take diverse measures, including:

- **Safety and health programme:** A formal programme has been established that outlines the responsibilities of management and employees for maintaining a safe work environment. It includes policies and procedures for hazard identification, risk assessment, and control measures, as well as training and education for employees.
- **Conducting regular risk assessments:** Regular risk assessments are conducted to identify potential hazards in the workplace, evaluate the associated risks, and implement control measures to mitigate those risks.
- **Providing personal protective equipment (PPE):** Depending on the nature of the work being done, employees are provided with PPE, such as hard hats, safety goggles, respirators, gloves and safety shoes, to protect them from potential hazards.
- **Implementing engineering controls:** Based on the risk score, engineering controls, such as ventilation systems, guardrails, machine guards and interlocks are implemented to eliminate or reduce exposure to hazards.
- **Providing training and education:** Training and education are provided to employees on safe work practices, hazard recognition, and the proper use of PPE and equipment.
- **Incident reporting system:** A robust incident reporting system has been established to ensure that all incidents, including near misses, are reported and investigated and that corrective actions are taken to prevent similar incidents from occurring in the future.
- **Conducting regular inspections:** Regular inspections of the workplace are conducted to identify potential hazards, evaluate the effectiveness of control measures and ensure compliance with relevant regulations and standards.

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

	FY 2022-23			FY 2021-22		
	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 Health & Safety		Nil			Nil	

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:

Artificial intelligence (AI) cameras have been placed in danger zones of the machines to prevent high-severity injuries to the workers. If any person enters the designated danger zones, the AI camera detects the human presence and immediately triggers an alarm to the concerned operator to shut off the moving parts of the machine.

Management of change procedure (MOC) has been deployed to capture any process-related changes by conducting hazard identification and risk assessments to determine the potential impacts of the changes on humans and property. Hazard identification and risk assessments are ongoing processes. The risk register is kept up to date and helps to mitigate risks.

Leadership Indicators:

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

Employees: Yes

Workers: Yes

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 payment of 'Taxes & Duties,' 'Compliance with Laws,' 'Compliance with Statutory Obligations,' 'Indemnification,' 'Audit Provisions' and more which binds the value chain partners to ensure payment of statutory dues. These contractual obligations are reviewed regularly to ensure that the payment of statutory dues, such as PF, Gratuity, Insurance, Taxes and so on, are made and complied with by the value chain partners.

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:

Indicate input material	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 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil		Nil	
Workers	Nil		Nil	

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)

There are no specific structured programmes in place for providing transition assistance.

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 our tier I suppliers are big conglomerates having sustainable procurement policy which we are also part of.
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:

Significant risks/concerns if any related to health and safety practices and working conditions are evaluated during the assessment. No such risk/concern recorded during FY 2022-23.

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's belief in maintaining the highest standards of transparency, accountability and ethical behaviour across all operational aspects, is reflected in its communications with stakeholders. In FY 2020-21, HIL identified its key stakeholder groups based on below criteria:

- The impact that stakeholders have on the value the company creates
- The impact of its business on stakeholders

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

Stakeholder Group	Whether identified as vulnerable & marginalised 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
Shareholders and Investors	No	Annual General Meetings, other shareholder meetings, email communications, Stock Exchange (SE) intimations, investor /analysts meet / conference calls, Annual Reports, quarterly results, media releases, Company / SE website	Ongoing	Governance and financial performance, Share price appreciation, dividends, profitability and financial stability, robust ESG practices, climate change risks, cyber risks, growth prospects.
Employees	No	Senior leaders' communication / talk / forum, town hall briefing, goal setting and performance appraisal meetings/ review, exit interviews, arbitration / union meetings, wellness initiatives, engagement survey, email, intranet, flat screens, websites, poster campaigns, house magazines, confluence, circulars, quarterly, Human Resources portal	Ongoing	Responsible Care (RC), innovation, Operational efficiencies, improvement areas, long-term strategy plans, training and awareness, responsible marketing, brand communication, health, safety and engagement initiatives
Customers	No	Website, distributor/ retailer / direct customer / achievers' meets, customer meets / visits, customer plant visits, key account management, workshops, focus group discussion, trade body membership, complaints, management, helpdesk, conferences, joint BD plans, information on packaging, customer surveys, Products displays, Marketing and branding, Exhibitions, Social media and related activities	Ongoing	Product quality and availability, responsiveness to needs, aftersales service, responsible guidelines / manufacturing, climate change
Suppliers/ Partners	No	Prequalification / vetting, communication and partnership meets, plant visits, MoU and framework agreements, trade association meets/seminars, professional networks, contract management / review, product workshops / on site presentations and satisfaction surveys etc	Ongoing	Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), ISO standards, collaboration and digitalisation opportunities.

Stakeholder Group	Whether identified as vulnerable & marginalised 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
Government and Regulatory Authorities	No	Working with local / state / national government and ministries, seminars, media releases, conferences, membership in local enterprise partnership and industry bodies	Ongoing	Strong ESG practices (climate change roadmap, frameworks for sustainability and beyond compliance and RC, changes in regulatory frameworks, skill and capacity building, employment, environmental measures), policy advocacy, timely contribution to exchequer/ local infrastructure, proactive engagement
Local Communities	Yes	Meets (of community / local authority and town council / committee / location head / SWOT council), community visits and projects, partnership with local charities, volunteerism, seminars / conferences Focussed Group Discussions with Communities / local authorities / location heads, community visits and projects, partnership with NGOs, volunteerism.	Ongoing	Responsible care, waste management, integrated water management, clean water, climate change impacts, community development, self-sustainability, livelihood support, disaster relief, support of the United Nations Sustainable Development Goals (UN SDGs) building capacity of future leaders, digital ecosystem development and Environmental preservation

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 Company's management regularly interacts with its key stakeholders such as investors, customers, suppliers, employees and so on. The relevant feedback from such consultations is provided to the Board, wherever applicable.

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 policies and activities of the entity:

Yes, through materiality study, the Company engages with its stakeholders in terms of identifying and prioritising the issues pertaining to economic, environmental and social topics. HIL works towards meeting the concerns raised by stakeholders by ensuring product quality/safety, developing environment-friendly products (non-asbestos sheets), training employees, making transparent disclosures and improving the energy efficiency of its manufacturing plants.

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

The Company follows an integrated development approach which specifically targets the disadvantaged, vulnerable and marginalised stakeholders. Engagement with local communities, including vulnerable/marginalised stakeholder groups, helps the Company identify their concerns and address them through various CSR activities related to rural development projects, improving educational infrastructure, promotion of sanitation and improving access to safe drinking water, setting up homes and hostels for women and orphans, and so on.

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 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1086	359	33%	990	166	17%
Other than permanent	0	0	0%	0	0	0%
Total Employees	1086	359	33%	990	166	17%
Workers						
Permanent	659	63	10%	621	51	8.2%
Other than permanent	4497	208	4.6%	3633	208	5.7%
Total Workers	5156	271	5.2%	4254	259	6.1%

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

Category	FY 2022-23					FY 2021-22				
	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	1037	0	0%	1037	100%	929	0	0%	929	100%
Female	49	0	0%	49	100%	61	0	0%	61	100%
Other than Permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Workers										
Permanent										
Male	656	0	0%	656	100%	621	0	0%	621	100%
Female	3	0	0%	3	100%	0	0	0%	0	0%
Other than Permanent										
Male	4467	4467	100%	0	0%	3597	3597	100%	0	0%
Female	30	30	100%	0	0%	36	36	100%	0	0%

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Amount in Lakhs)	Number	Median remuneration/ salary/ wages of respective category (Amount in Lakhs)
Board of Directors (BoD)	6	Please refer Annexure VI of Directors' Report for FY23	1	Please refer Annexure VI of Directors' Report for FY23
Key Managerial Personnel*	2		0	
Employees other than BoD and KMP	1036	10.57	49	11.67
Workers (Permanent)	707	4.16	3	2.49

*Excluding Managing Director & CEO

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):

Yes, the Chief Human Resource Officer (CHRO) is the nodal authority responsible for addressing any human rights impacts or issues caused or contributed to by the business.

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

A dedicated email id is available to send any grievances related to human rights so that they can be investigated for its redressal. Once an email is received, a cross-functional team consisting of CHRO, Legal Head & Internal Audit Head, investigates the grievance and takes necessary action.

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

	FY 2022-23			FY 2021-22		
	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	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human Rights related issues	0	0	NA	0	0	NA

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

- a. As part of Whistle Blower Policy and POSH policy, the Company has a section mentioned on the protection of identity of the complainant. All such matters are dealt in strict confidence.
- b. Also, as part of our Code of Conduct, the Company does not tolerate any form of retaliation against anyone reporting legitimate concerns. Anyone involved in targeting such a person will be subject to disciplinary action.

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

Yes. All our business agreements and contracts have clauses on human rights compliance.

9. 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	100%

10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above:

There were no risks / concerns arising from the above assessments.

Leadership Indicators

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

There have been no such instances where a business process has been modified / introduced as a result of addressing human rights grievances/complaints.

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

The Company has not conducted a human rights due-diligence.

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?

The Company assists differently abled visitors to access its premises or offices comfortably. HIL is currently evaluating the right measures to make its office premises accessible to differently abled employees and workers and will implement the same in due course of time.

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	Human rights clauses are part of all contracts/ agreements with value chain partners. The majority of HIL's Tier I suppliers are large conglomerates that follow a sustainable procurement strategy, which we also follow.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

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

No such significant risks / concerns and hence not applicable.

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 2022-2023	FY 2021-2022
Total electricity consumption (A)	2,46,213.45 GJ	2,39,275.35 GJ
Total fuel consumption (B)	4,28,912.69 GJ	4,24,905.77 GJ
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	6,75,126.14 GJ	664,181.12 GJ
Energy intensity per rupee of turnover (GJ/INR Crore)	313.25	336.55
Energy 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, 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: Not Applicable

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

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilo liters)		
(i) Surface water	0	0
(ii) Groundwater	7,66,845.71	7,62,346.62
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others-Tanker Water	18,963	18,696
Total volume of water withdrawal (in kilo liters) (i + ii + iii + iv + v)	7,85,808.71	7,81,042.62
Total volume of water consumption (in kilo liters)	7,85,808.71	7,81,042.62
Water intensity per rupee of turnover (kL / INR Crore)	364.61	395.77
Water 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, name of the external agency. No

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

HIL has not implemented a mechanism for Zero Liquid Discharge.

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-please specify			

HIL complies with the regulations for SOx and NOx emissions. The emissions are well under the limit.

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, however annual audits are conducted by Pollution Control Board and accordingly compliance reports are provided.

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	21,109.07	18,990.77
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	48,199.01	46,820.84
Total Scope 1 and Scope 2 emissions per rupee of Turnover (tCO2e/INR Crores)		32.16	33.34
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity		NA	NA

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

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

HIL is generating electricity from rooftop solar panels, at the Chennai and Faridabad Plants, reducing dependency on grid electricity and reducing GHG emissions.

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

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.00	0.00
E-waste (B)	0.00	0.00
Bio-medical waste (C)	0.02	0.02
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	1.34	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous waste (G)	12,996.39	11,835.19
Other Non-hazardous waste generated (H)	15,722.57	1,87,031.56
Total (A+B + C + D + E + F + G + H)	28,720.32	1,98,866.77
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	0.00	0.00
(ii) Re-used	5,743.02	5,877.46
(iii) Other recovery operations	98.86	83.12
	(Some hazardous waste is sent to PCB- authorised vendors. Waste batteries are covered under buy-back agreements.)	(Some hazardous waste is sent to PCB- authorised vendors. Waste batteries are covered under buy-back agreements.)
Total	5,841.88	5,960.58
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.02	0.02
(ii) Landfilling	17,119.82	9,648.29
	(for filling low-lying areas)	(for filling low-lying areas)
(iii) Other disposal operations	2,05,560.42	1,83,035.34
Total	2,22,680.26	1,92,683.65

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

9. 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:

Hazardous waste generated across HIL's operations is sent to authorised vendors for safe disposal. Non-hazardous waste is sold to authorised dealers for further processing. Small scrap items are sold to local vendors. 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.

10. 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.
			Nil

11. 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 Web link
Not applicable					

12. 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: Yes

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
Not applicable				

Leadership Indicators:

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	1,824.10 GJ	1,873.91 GJ
Total fuel consumption (B)	2,01,351.86 GJ	2,16,361.44 GJ
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	2,03,175.96 GJ	2,18,235.35 GJ
From non-renewable sources		
Total electricity consumption (D)	2,44,389.34 GJ	2,37,401.44 GJ
Total fuel consumption (E)	2,27,560.83 GJ	2,08,544.33 GJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	4,71,950.17 GJ	4,45,945.77 GJ

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. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilo liters)		
(i) To Surface water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(ii) To Ground water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iii) To Sea water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Sent to third-parties (Common Effluent Treatment Plant)		
- No treatment	10,339.50	7,900.50
- With treatment - please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
Total water discharged (in kilo liters)	10,339.50	7,900.50

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

3. 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:
- (ii) Nature of operations:
- (iii) Water withdrawal, consumption and discharge in the following format:

None of HIL's facilities are in areas that fall under the critical or over-exploited categories as per Central Ground Water Authority (CGWA).

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilo liters)		
(i) Surface water		
(ii) Ground water		
(iii) Third party water		
(iv) Sea water / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilo liters)		Not applicable
Total volume of water consumption (in kilo liters)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilo liters)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Ground water		
- No treatment		Not applicable
- With treatment – please specify level of treatment		
(iii) Into Sea water		
- 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		
- No treatment		Not applicable
- With treatment – please specify level of treatment		
Total water discharged (in kilo liters)		

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

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

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

HIL have not initiated the Scope 3 inventory process.

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. NA

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities: Not Applicable
6. 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 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.	Dry waste recycle	At HIL's boards, pipes, sheets and panels manufacturing plants, discarded/defective products are ground and converted into Dry Waste Recycle (DWR) and reused in production as input material.	Reusing DWR leads to less waste generation.
2.	% asbestos reduction in roofing sheets	In keeping with HIL's growing focus on producing environment-friendly solutions, it developing non-asbestos products and increasing revenues from this stream. A production line has been installed at the Faridabad plant to produce non - asbestos products.	<ul style="list-style-type: none"> Reduced the dependency on imported asbestos fibre. Received GreenPro certification for eco-friendly asbestos-free corrugated roofing sheet (Charminar Fortune) developed by humid cure technology
3.	Carbon cure of Charminar roofing sheets and panels	HIL has collaborated with Prof. Holmer, University of Sao Paulo, Brazil, to develop accelerated carbonation curing of cementitious products. The non-asbestos fibre cement boards and autoclaved aerated concrete (AAC) blocks cured by the autoclave method usually take 14 to 35 days. Through this collaboration, HIL aims to accelerate the curing of both products.	Currently, a pilot project is underway. The advantage of accelerated carbonation curing is the possibility of early dispatch of products leading to reduced inventory, improved strength and durability of products, utilisation of industrial CO2 waste and a low carbon footprint.

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

HIL has an on-site management plan for each facility that covers recognised risks, consequences analysis, frequency of occurrence of accidents, and prioritisation for emergency preparedness response. The plan also includes an emergency command structure, with duties and tasks assigned to each member of the organisation.

8. 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 are big conglomerates with a sustainable procurement policy which we are also part of. HIL is covered by these policies.

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

Most of the Company's Tier I suppliers are big conglomerates with a sustainable procurement policy. HIL is covered by these policies.

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.	CRISIL Limited	National
8.	(Green Rating for Integrated Habitat Assessment (GRIHA)	National
9.	Indian Green Building Council (IGBC)	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
Nil		

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
Nil					

The Company's advocacy efforts are largely routed through collective forums like various industry bodies, associations and committees, of which it is a member. HIL participates actively in policy formulation and discussions related to environmental protection, regulatory frameworks, pollution control measures, extended producer responsibility (EPR) and so on. Through these forums, HIL also contributes to decisions regarding appropriate processes for reuse of municipal waste, collective bargaining of workers wages and facilities and so on, as agreed upon by various stakeholders.

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:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

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

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

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

HIL has a systematic mechanism for receiving, investigating, responding to complaints or grievances received from affected communities in a timely, fair and consistent manner. Grievances can be expressed verbally or written in local languages. The Company has a dedicated email id, cs@hil.in, through which the grievances can be lodged.

When a grievance is received, the matter is examined/investigated by Company officials, and the complaint is promptly responded to. Grievances are escalated to the senior management if deemed necessary.

HIL believes that community grievance processes should be based on dialogue where a resolution can be found together with the complainant. Remedial action is taken on a case-to-case basis keeping in mind the specific issues and related facts of the matter.

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

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	13%	11%
Sourced directly from within the district and neighboring districts	9%	8%

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):

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

S.No.	State	Aspirational District	Amount Spent (In INR)
There are no designated aspirational districts in 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:

Name of authority	Brief of the Case	Corrective action taken
Nil		

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.	Eradicating hunger, poverty and malnutrition, promoting healthcare, including preventive health care and contributing to the Swachh Bharat Kosh set up by the Central Government to promote sanitation and make safe drinking water available	General public at large	100%
2.	Promoting education, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled and livelihood enhancement projects	>1000	100%
3.	Promoting gender equality, empowering women	General public at large	100%
4.	Enhancing livelihoods of smallholder farmers through (i) building the capacities and supporting them to collectively address the issues related to agriculture production systems; and (ii) developing agri-value chains that are sustainable and conducive for end markets looking for sustainable sourcing	10,000 smallholder farmers	100%
5.	Building a centre for Learning, Excellence and Development (LED) to empower local villagers in a phased manner by providing training and suitable livelihood opportunities	General public at large	100%
6.	Rural development projects	General public at large	100%

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's customer engagement strategy would be incomplete without an understanding of their opinions and satisfaction with its different offerings. The Company is the first in the building materials industry to come up with an exclusive customer service cell to address all customer concerns. The cell monitors customer complaints centrally as a single point of contact for the customer and sales team and ensures an independent and unbiased approach to resolving issues. HIL customer service officers are available in all the major cities of India and provide prompt responses to customer queries. These engagements help get feedback on customer satisfaction with HIL solutions and their emerging needs. Regular customer engagements also secure information on the need for improvement and support in designing remedial actions. Surveys are conducted to assess the Company's loyalty programmes, with a dual focus on scouting for opportunities for improved engagement and identifying customer needs. Such customer engagements have helped HIL develop new products and address emerging market trends successfully.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services			Nil			
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

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

	Number	Reason for recall
Voluntary recall		
Forced recall		Nil

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, the policies related to cyber security are available on the HRMS portal and accessible to all employees. Awareness sessions are conducted for all employees twice a year. A phishing simulation exercise is conducted once a year.

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: Not Applicable

Leadership Indicators:

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

Details on products and services of the company can be accessed on:

- Roofing solutions: Charminar – Roofing solutions, Building and Cladding material manufacturer (hil.in)
- Walling solutions: Birla Aerocon – Roofing solutions, Building and Cladding material manufacturer (hil.in)
- Polymer solutions-Pipe: Birla HIL Pipes – Roofing solutions, Building and Cladding material manufacturer
- Polymer solution-Putty: Birla HIL Putty – Roofing solutions, Building and Cladding material manufacturer
- Flooring solutions: Parador | Roofing solutions, Building and Cladding material manufacturer (hil.in)
- Engineering solutions: Engineering Division – Roofing solutions, Building and Cladding material manufacturer (hil.in)

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

None of HIL's products pose safety hazards. Therefore, the requirement to inform and educate consumers about the safe and responsible usage of products is not applicable.

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

HIL proactively shares information about any potential disruptions or discontinuations of essential services with its customers via email, text message, social media, or the Company's website.

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 complies with applicable labelling regulations, the requirements of the Bureau of Indian Standards and the Legal Metrology Act.

Yes, HIL's marketing department conducts extensive customer satisfaction surveys leveraging its telemarketing (outbound) facility to connect with customers across the country. The Company also conducts surveys to assess the effectiveness of its loyalty programs and understand areas for improved engagement and identify customer needs.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact: Nil
- b. Percentage of data breaches involving personally identifiable information of customers: Not applicable

On behalf of the Board of Directors

HIL Limited

Sd/-

Akshat Seth

Managing Director & CEO

(DIN 10039820)

Place: New Delhi

Date: May 15, 2023



Standalone

**Financial
Statements**



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 2023, 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 a summary of significant 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 2023, and its profit and other comprehensive income, 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
<p>The Company's revenue is primarily derived from sale of products of roofing solutions, building solutions, polymer solutions and others.</p> <p>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.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> - We assessed the appropriateness of the revenue recognition accounting policies and compliance with applicable 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;

The Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> - 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 Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.
 - 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 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. 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 2023 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 53 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 61 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 61 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. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Vikash Somani
Partner
Membership No.: 061272
ICAI UDIN:23061272BGYRVL1300

Place: Hyderabad
Date: 15 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2023

(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 were 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 and Building	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 guarantee or security to 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 to Companies in respect of which the requisite information is as below. The Company has not granted any loans, secured or unsecured to firms, limited liability partnership or any other parties. The Company has not made any investments in companies, firms and limited liability partnerships 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 to any other entity as below:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted during the year Subsidiaries*	-	-	1,606.20	-
Balance outstanding as at balance sheet date in respect of above cases Subsidiaries*	-	-	-	-

*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 during the year and the terms and conditions of the grant of loans 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 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. According to the information and explanations given to us, the Company has not provided guarantee or security to any parties covered under Section 186 of the Act.
- (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 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 2023 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	89.94	1981-82 1985-86 2001-02 2002-03 2011-12 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	434.58	1989-2015	Tribunal(s)
Central Sales Tax Act, 1956	Sales tax/ Value added tax	835.84	1991-2020	Appellate authority upto commissioner's level
Goods and Services Tax Act, 2017	Goods and Service tax	6,865.38	2017-23	Assistant Commissioner
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)	376.72	2008-18	CESTAT (s)
The Central Excise Act, 1944	Excise duty (including service tax)	414.78	2003-18	Appellate authority up to commissioner's level
Income tax Act, 1961	Income-tax	942.82	2005-06 2013-14	Hon'ble High Court of Telangana and Andhra Pradesh
Income tax Act, 1961	Income-tax	1,095.73	2017-18 2018-19 2019-20 2020-21	Appellate authority up to Commissioner's level
Wealth Tax	Wealth Tax	56.98	1993-94 1994-95 1995-96 1996-97 1997-98	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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (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 preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (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

Vikash Somani
Partner

Place: Hyderabad
Date: 15 May 2023

Membership No.: 061272
ICAI UDIN:23061272BGYRVL1300

Annexure B to the Independent Auditor's Report on the standalone financial statements of HIL Limited for the year ended 31 March 2023

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)(f) 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 2023 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 2023, 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 standalone 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 standalone 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 standalone 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

Vikash Somani
Partner

Place: Hyderabad
Date: 15 May 2023

Membership No.: 061272
ICAI UDIN:23061272BGYRVL1300

Standalone Balance Sheet

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	61973.63	54674.55
(b) Capital work-in-progress	4	2905.38	1949.81
(c) Investment property	5	1941.72	1972.09
(d) Goodwill	6 and 33	747.25	-
(e) Other intangible assets	6	2334.35	2134.98
(f) Intangible assets under development	6	166.11	251.73
(g) Financial assets			
(i) Investments	7	27379.90	27380.48
(ii) Trade receivables	8	20.80	-
(iii) Loans	9	8499.34	7994.60
(iv) Other financial assets	10	1880.45	2720.65
(h) Non-current tax assets (net)		539.19	1453.61
(i) Other non-current assets	11	1206.88	897.20
Total non-current assets		109595.00	101429.70
Current assets			
(a) Inventories	12	36751.54	34217.59
(b) Financial assets			
(i) Trade receivables	8	10995.84	8822.45
(ii) Cash and cash equivalents	13	953.39	1435.67
(iii) Bank balances other than (ii) above	14	86.31	1129.55
(iv) Other financial assets	10	2546.18	628.66
(c) Other current assets	11	6668.13	5707.25
Total current assets		58001.39	51941.17
TOTAL ASSETS		167596.39	153370.87
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	756.48	754.11
(b) Other equity	16	110662.24	102268.94
Total equity		111418.72	103023.05
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1187.80	1097.43
(ia) Lease liabilities	18	482.74	533.37
(ii) Other financial liabilities	20	19.27	-
(b) Provisions	21	1333.57	1540.56
(c) Deferred tax liabilities (net)	34	3712.52	3130.22
(d) Other non-current liabilities	22	28.18	112.73
Total non-current liabilities		6764.08	6414.31
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	10525.52	5520.27
(ia) Lease liabilities	18	275.74	158.66
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	19	2203.00	1537.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	21223.60	18708.95
(iii) Other financial liabilities	20	11332.07	12960.91
(b) Other current liabilities	22	2674.82	2926.22
(c) Provisions	21	986.00	1633.38
(d) Current tax liabilities (net)		192.84	488.00
Total current liabilities		49413.59	43933.51
TOTAL EQUITY AND LIABILITIES		167596.39	153370.87
Summary of significant 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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 15 May 2023

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

Saikat Mukhopadhyay
Chief Financial Officer
Place: New Delhi
Date: 15 May 2023

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 2023	For the year ended 31 March 2022
I Revenue from operations	23	215520.48	197348.45
Other income	24	3252.36	3196.63
TOTAL INCOME (I)		218772.84	200545.08
II Expenses			
Cost of materials consumed	25	120156.76	107173.28
Purchases of stock-in-trade	26	6434.98	4270.09
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(1226.65)	(4596.28)
Employee benefits expense	28	16195.98	14973.36
Finance costs	29	662.85	450.81
Depreciation and amortisation expenses	30	5805.53	5381.30
Other expenses	31	54375.42	48061.14
TOTAL EXPENSES (II)		202404.87	175713.70
III Profit before tax (I-II)		16367.97	24831.38
IV Tax expense:			
Current tax	34	3022.82	6957.36
Deferred tax	34	335.31	(708.80)
V Profit for the year (III-IV)		13009.84	18582.82
VI Other comprehensive income/ (loss)			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of defined benefit asset / (liability)	36	118.52	(55.00)
Income-tax relating to above item	34	(29.83)	13.84
		88.69	(41.16)
(b) Equity investments through other comprehensive income- net change in fair value	7	(0.58)	2.59
Income-tax relating to above item	34	0.12	(0.59)
		(0.46)	2.00
Other comprehensive income for the year, net of tax		88.23	(39.16)
VII Total comprehensive income for the year (V + VI)		13098.07	18543.66
VIII Earnings per equity share (Face value of INR 10 each)	37		
Basic (in INR)		172.95	247.73
Diluted (in INR)		172.91	246.12
Summary of significant 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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 15 May 2023

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and Chief Executive Officer
DIN: 10039820
Place: New Delhi

Saikat Mukhopadhyay
Chief Financial Officer
Place: New Delhi
Date: 15 May 2023

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 2023	For the year ended 31 March 2022
A Cash flows from operating activities		
Profit for the year (before tax)	16367.97	24831.38
<i>Adjustments for:</i>		
Depreciation and amortisation expense	5805.53	5381.30
Rental income from investment property	(497.63)	(483.61)
Provision for impairment of receivables, advances and other assets, net	163.46	(506.15)
Liabilities no longer required written back	(95.80)	(385.83)
Net loss/ (gain) on sale of property, plant and equipment	180.86	(730.66)
Foreign exchange fluctuations, net	(655.68)	(1471.4)
Financial assets measured at FVTPL-net change in fair value	(250.58)	(671.58)
Net gain on sale of current investments	(79.56)	(34.16)
Employee share based payment expense / (reversal)	(106.08)	71.43
Finance costs	662.85	450.81
Interest income	(74.31)	(152.59)
Interest income from loan to subsidiary	(659.76)	(655.50)
Interest income on income-tax refund	(504.70)	-
Government grant	(84.55)	(84.55)
Dividend income	(0.38)	(0.25)
Operating profit before changes in assets and liabilities	20171.64	26882.90
Changes in assets and liabilities:		
Increase in inventories	(2449.41)	(12898.25)
Increase in trade receivables	(2086.60)	(249.28)
Increase in other financial assets	(169.45)	(115.45)
(Increase) / decrease in other assets	(1209.95)	74.07
Increase in trade payables	3100.47	3573.98
(Decrease) / increase in other financial liabilities	(2071.38)	2041.17
(Decrease) / increase in provisions	(757.58)	758.70
Decrease in other liabilities	(251.40)	(212.80)
Cash generated from operating activities	14276.34	19855.04
Income-tax paid (net of refund)	(1908.43)	(6010.26)
Net cash from operating activities (A)	12367.91	13844.78
B Cash flows from investing activities		
Acquisition of property, plant and equipment	(10710.62)	(5973.22)
Proceeds from sale of property, plant and equipment	39.17	911.83
Acquisition of business	(3628.50)	-
Proceeds from sale of mutual funds	29028.11	23035.88
Purchase of mutual funds	(28948.55)	(19999.00)
Interest received	147.98	507.61
Dividend received	0.38	0.25
Bank balances not considered as cash and cash equivalents (net)	1043.24	(758.19)
Loans given to subsidiary	(1606.20)	-
Loans repaid by subsidiary	1684.35	-
Rent received from long-term investment in properties	497.63	483.61
Net cash used in investing activities (B)	(12453.01)	(1791.23)
C Cash flows from financing activities*		
Repayment of long-term borrowings	(3017.08)	(5020.60)
Receipts / (repayment) of short-term borrowings (net)	7996.81	(2996.81)
Interest on lease liabilities	(62.49)	(53.39)
Repayment of lease liabilities	(250.37)	(169.53)
Finance costs	(471.78)	(300.39)
Proceeds from issue of share capital	292.01	132.43
Dividend paid on equity shares	(4884.28)	(3373.78)
Net cash used in financing activities (C)	(397.18)	(11782.07)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(482.28)	271.48
Cash and cash equivalents at the beginning of the year	1435.67	1164.19
Cash and cash equivalents at the end of the year	953.39	1435.67

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 2022	Cash flow changes	Non-cash changes	As at 31 March 2023
Long-term borrowings	4114.51	(3017.08)	95.35	1192.78
Short-term borrowings	2503.19	7996.81	20.54	10520.54
Lease liabilities	692.03	(312.86)	379.31	758.48

Particulars	As at 01 April 2021	Cash flow changes	Non-cash changes	As at 31 March 2022
Long-term borrowings	9047.25	(5020.60)	87.86	4114.51
Short-term borrowings	5500.00	(2996.81)	-	2503.19
Lease liabilities	383.05	(222.92)	531.90	692.03

Note:

- 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 2023	As at 31 March 2022
Balances with banks:		
- On current accounts	953.39	1434.28
Cash on hand	-	1.39
Cash and cash equivalents as per balance sheet	953.39	1435.67

Summary of significant 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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 15 May 2023

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and Chief Executive Officer
DIN: 10039820
Place: New Delhi

Saikat Mukhopadhyay
Chief Financial Officer
Place: New Delhi
Date: 15 May 2023

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 2023	754.11	-	-	2.37	756.48
Balance as at 31 March 2022	751.97	-	-	2.14	754.11

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 2021	43519.46	941.86	42100.00	35.00	279.87	23.29	86899.48
Total comprehensive income for the year ended 31 March 2022							
Profit for the year	18582.82	-	-	-	-	-	18582.82
Share based payment, net of reversal (refer note 43)	-	-	-	-	71.43	-	71.43
Other comprehensive income (net of tax)	(41.16)	-	-	-	-	2.00	(39.16)
Total comprehensive income	18541.66	-	-	-	71.43	2.00	18615.09
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-
Dividend	(3375.92)	-	-	-	-	-	(3375.92)
Share options exercised	-	250.64	-	-	(120.35)	-	130.29
Balance at 31 March 2022	57685.20	1192.50	43100.00	35.00	230.95	25.29	102268.94
Balance at 01 April 2022	57685.20	1192.50	43100.00	35.00	230.95	25.29	102268.94
Total comprehensive income for the year ended 31 March 2023							
Profit for the year	13009.84	-	-	-	-	-	13009.84
Share based payment, net of reversal (refer note 43)	-	-	-	-	(106.08)	-	(106.08)
Other comprehensive income (net of tax)	88.69	-	-	-	-	(0.46)	88.23
Total comprehensive income	13098.53	-	-	-	(106.08)	(0.46)	12991.99
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-
Dividend	(4888.33)	-	-	-	-	-	(4888.33)
Share options exercised	-	400.93	-	-	(111.29)	-	289.64
Balance at 31 March 2023	64895.40	1593.43	44100.00	35.00	13.58	24.83	110662.24

As per our Report of even date attached

for **B S R and Co**

Chartered Accountants

ICAI Firm Registration Number: 128510W

Vikash Somani

Partner

Membership No.: 061272

Place: Hyderabad

Date: 15 May 2023

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

Saikat Mukhopadhyay

Chief Financial Officer

Place: New Delhi

Date: 15 May 2023

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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, 2013 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. It includes the trading of Construction Chemicals consisting of Ready-mix Plasters, Primers, Block Joining Mortars and Tile Adhesives.

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.

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 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies

Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

- b) The standalone financial statements were authorised for issue by the Company's Board of Directors on 15 May 2023.
- 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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
	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 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 54 – leases: whether an arrangement contains a lease;
- Note 54 – 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 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 43 – share based payment arrangements;
- Note 55 – financial instruments;
- Note 33 – business acquisition.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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

The Company classifies an asset as current asset when:

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period; or
- (d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within twelve months after the reporting period; or
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

3 Significant 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Significant Accounting Policies (Contd.)

b. Financial Instruments (Contd.)

ii. Classification and subsequent measurement (Contd.)

Financial assets (Contd.)

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.

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3 Significant Accounting Policies (Contd.)

b. Financial Instruments (Contd.)

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the 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.

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 if it is probable that the future economic benefits associated with the expenditure will flow to the Company 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: 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-

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3. Significant accounting policies (contd.)

c. Property, plant and equipment and capital work-in-progress (Contd.)

iii. Depreciation (Contd.)

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

Other intangible assets including acquisitions by the Company in a business combination (see note 3 (v)) are initially measured at cost. Such intangible assets with definite lives, are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible asset with indefinite life, is not amortised and is tested for impairment annually.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure 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

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.

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3. Significant Accounting Policies (contd.)

e. 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.

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 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3. Significant Accounting Policies (contd.)

g. Impairment (Contd.)

i. Impairment of financial instruments (Contd.)

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.

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 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. In case of cancellation of options granted before the completion of vesting period the cost is reversed in the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3. Significant Accounting Policies (contd.)

h. Employee benefits (Contd.)

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. 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3. Significant Accounting Policies (contd.)

i. Revenue

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.

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3. Significant Accounting Policies (contd.)

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.

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 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 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3. Significant Accounting Policies (contd.)

I. Leases (Contd.)

i. Leases as lessee

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 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3. Significant Accounting Policies (contd.)

m. Income-tax (Contd.)

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 temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax is not recognised for taxable temporary 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.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3. Significant Accounting Policies (contd.)

o. Provision, contingent liabilities and contingent assets (Contd.)

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.

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) by the weighted average number of equity shares considered for deriving basic earnings per share and also 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 separately 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 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

3. Significant 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, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

(b) Ind AS 12- Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

c) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 machinery (refer note (b) below)	Furniture and fittings	Office equipments	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 2021	2471.64	75.43	17076.23	0.63	51317.02	736.44	588.84	203.51	1628.51	74098.25	601.84
Additions	-	-	704.96	-	2816.04	45.05	40.11	32.49	1102.91	4741.56	4986.62
Disposals	-	-	(67.33)	-	(357.22)	(2.29)	(18.13)	(3.36)	(277.33)	(725.66)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(3638.65)
As at 31 March 2022	2471.64	75.43	17713.86	0.63	53775.84	779.20	610.82	232.64	2454.09	78114.15	1949.81
Additions	67.79	-	1221.88	-	8465.21	64.26	61.27	37.53	374.77	10292.71	10903.10
Disposals	-	-	(170.4)	-	(640.68)	(33.00)	(26.35)	(0.57)	(122.12)	(839.76)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(9947.53)
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	-	1041.22	2.00	6.00	1.00	-	2673.22	-
Reclassification to non-current assets held for sale (refer note 11)	(1.03)	-	(78.36)	-	-	-	-	-	-	(79.39)	-
As at 31 March 2023	3418.59	75.43	19583.15	0.63	62654.93	812.46	651.74	270.60	2706.74	90174.27	2905.38
B. Accumulated depreciation											
As at 01 April 2021	-	75.43	2777.99	0.51	14943.85	299.45	317.16	96.60	407.19	18918.18	-
For the year ended 31 March 2022	-	-	696.24	-	3988.22	81.55	85.35	23.14	204.36	5078.86	-
Disposals	-	-	(37.46)	-	(220.71)	(1.87)	(17.16)	(2.91)	(277.33)	(557.44)	-
As at 31 March 2022	-	75.43	3436.77	0.51	18711.36	379.13	385.35	116.83	334.22	23439.60	-
For the year ended 31 March 2023	-	-	711.14	-	4181.52	86.68	84.63	26.64	291.56	5382.17	-
Disposals	-	-	(3.22)	-	(462.94)	(4.80)	(25.79)	(0.44)	(94.17)	(591.36)	-
Reclassification from non-current assets held for sale (refer note 11)	-	-	-	-	13.20	-	-	-	-	13.20	-
Reclassification to non-current assets held for sale (refer note 11)	-	-	(42.97)	-	-	-	-	-	-	(42.97)	-
As at 31 March 2023	-	75.43	4101.72	0.51	22443.14	461.01	444.19	143.03	531.61	28200.64	-
C. Net carrying amounts (A-B)											
As at 31 March 2022	2471.64	-	14277.09	0.12	35064.48	400.07	225.47	115.81	2119.87	54674.55	1949.81
As at 31 March 2023	3418.59	-	15481.43	0.12	40211.79	351.45	207.55	127.57	2175.13	61973.63	2905.38

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 2023 and as at 31 March 2022	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 49 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 current and previous financial year.
- 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 2021	397.69	1096.10	134.72	1628.51
Additions	300.83	802.08	-	1102.91
Disposals	(146.10)	(92.19)	(39.04)	(277.33)
As at 31 March 2022	552.42	1805.99	95.68	2454.09
Additions	360.14	14.63	-	374.77
Disposals	(55.88)	-	(66.24)	(122.12)
As at 31 March 2023	856.68	1820.62	29.44	2706.74
B. Accumulated depreciation				
As at 01 April 2021	222.08	99.86	85.25	407.19
For the year ended 31 March 2022	118.01	54.33	32.02	204.36
Disposals	(146.10)	(92.19)	(39.04)	(277.33)
As at 31 March 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
C. Net carrying amounts (A-B)				
As at 31 March 2022	358.43	1743.99	17.45	2119.87
As at 31 March 2023	447.24	1724.51	3.38	2175.13

- 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	2804.70	100.68	-	-	2905.38
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023	2804.70	100.68	-	-	2905.38
Projects in progress	1922.54	9.00	18.27	-	1949.81
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022	1922.54	9.00	18.27	-	1949.81

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

4. Property, Plant and Equipment (Contd.)

*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	
Timmapur Panel plant automation	201.26	-	-	-	201.26
FOB plant	125.62	-	-	-	125.62
Balasure panel plant	125.74	-	-	-	125.74
Others	194.03	-	-	-	194.03
As at 31 March 2023	646.65	-	-	-	646.65
Wall Putty plant capacity enhancement	45.42	-	-	-	45.42
Others	29.67	-	-	-	29.67
As at 31 March 2022	75.09	-	-	-	75.09

No projects have been temporarily suspended as at 31 March 2023 and 31 March 2022.

5. Investment Property

A. Reconciliation of carrying amount

Particulars	As at 31 March 2023	As at 31 March 2022
Cost or Deemed cost (Gross carrying amount)		
Opening balance	2204.89	2212.00
Disposals	-	(7.11)
Closing balance	2204.89	2204.89
Accumulated depreciation		
Opening balance	232.80	202.43
Depreciation for the year	30.37	30.37
Closing balance	263.17	232.80
Net carrying amounts	1941.72	1972.09
Fair value	7594.50	7639.97

B. Amounts recognised in profit or loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Rental income derived from investment properties (refer note 24)	497.63	483.61
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	497.63	483.61
Less: Depreciation	30.37	30.37
Profit arising from investment properties before indirect expenses	467.26	453.24

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)).

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

5. Investment Property(Contd.)

C. Measurement of fair values (Contd.)

(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 2022: 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 and building as at 31 March 2023 and 31 March 2022	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 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. Although there are sub-lease rights given to the lessees, there are no sub-leases as on the reporting date.

E. Refer note 47 for details of minimum lease receipts.

6. Goodwill and Other Intangible Assets

Particulars	Goodwill	Other intangible assets				Total	Intangible assets under development (refer note (a) below)
		Softwares	Brand	Non-compete fee	Service concession arrangements		
Reconciliation of carrying amount							
Cost or Deemed cost (Gross carrying amount)							
Balance at 01 April 2021	-	1129.48	-	-	1997.94	3127.42	174.55
Additions	-	440.14	-	-	-	440.14	517.32
Disposals	-	(84.26)	-	-	-	(84.26)	-
Transfers to Intangible assets	-	-	-	-	-	-	(440.14)
Balance at 31 March 2022	-	1485.36	-	-	1997.94	3483.30	251.73
Additions	-	442.05	-	-	-	442.05	356.43
Disposals	-	(71.63)	-	-	-	(71.63)	-
Transfers to Intangible assets	-	-	-	-	-	-	(442.05)
Acquisitions through business combination (refer note 33)	747.25	-	157.76	27.35	-	185.11	-
Balance at 31 March 2023	747.25	1855.78	157.76	27.35	1997.94	4038.83	166.11

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

6. Goodwill and Other intangible assets (Contd.)

Particulars	Goodwill	Other intangible assets				Total	Intangible assets under development (refer note (a) below)
		Softwares	Brand	Non-compete fee	Service concession arrangements		
Accumulated amortisation							
Balance at 01 April 2021	-	694.93	-	-	464.23	1159.16	-
Amortisation for the year	-	184.43	-	-	87.64	272.07	-
Disposals	-	(82.91)	-	-	-	(82.91)	-
Balance at 31 March 2022	-	796.45	-	-	551.87	1348.32	-
Amortisation for the year	-	282.33	19.62	3.40	87.64	392.99	-
Disposals	-	(36.83)	-	-	-	(36.83)	-
Balance at 31 March 2023	-	1041.95	19.62	3.40	639.51	1704.48	-
Net carrying amounts							
As at 31 March 2022	-	688.91	-	-	1446.07	2134.98	251.73
As at 31 March 2023	747.25	813.83	138.14	23.95	1358.43	2334.35	166.11

Notes:

(a) Ageing details of intangible assets under development (IAUD) is as below*

Particulars	For intangible assets under development				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
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
Projects in progress	201.94	49.79	-	-	251.73
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022	201.94	49.79	-	-	251.73

*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:

Particulars	IAUD to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	139.36	-	-	-	139.36
As at 31 March 2023	139.36	-	-	-	139.36
Planning and budgeting tool	84.73	-	-	-	84.73
Others	30.98	-	-	-	30.98
As at 31 March 2022	115.71	-	-	-	115.71

No projects have been temporarily suspended as at 31 March 2023 and 31 March 2022.

(b) The Company has not revalued any intangible assets after initial recognition, during the current and previous financial year.

(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 2023 is INR 747.25 lacs.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

6. Goodwill and Other intangible assets (Contd.)

(c) Impairment (Contd.)

Following key assumptions were considered for goodwill valuation :

Annual growth rate for 5 years (Average)	15.00%
Terminal value growth rate	3.00%
Budgeted EBITDA growth rate	11.60% to 16.01%
Weighted average cost of capital % (WACC) post tax	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 FY 2022-2023.

7 Investments

Particulars	As at 31 March 2023	As at 31 March 2022
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 51)	27346.24	27346.24
(31 March 2022 : 34025000 equity shares of Euro 1 each fully paid)		
	27346.24	27346.24
Refer note 46(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 51)	142.60	142.60
(31 March 2022 : 4125000 equity shares of Naira 1 each fully paid)		
Less: Provision for investment in joint venture	(142.60)	(142.60)
	-	-
Refer note 46(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	33.66	34.24
(31 March 2022 : 5000 equity shares of INR 10 each fully paid)		
	33.66	34.24
	27379.90	27380.48
Aggregate amount of unquoted non-current investments	27522.50	27523.08
Aggregate amount of provision for impairment in value of non-current investments	142.60	142.60

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

7. Investments (Contd.)

(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 2023	As at 31 March 2022
Fair value at beginning of the year	34.24	31.65
Dividend income recognised during the respective year (refer note 24)	0.38	0.25
Fair value at end of the year	33.66	34.24

No strategic investments were disposed off during the financial years 2022-23 and 2021-22, 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 current year and previous year.

8 Trade Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Secured	20.80	-
Unsecured	510.04	436.39
	530.84	436.39
Less: Provision for impairment	(510.04)	(436.39)
	20.80	-
Current		
Secured	1421.61	1219.30
Unsecured (refer note 40 for receivables from related parties)	10214.73	8154.01
	11636.34	9373.31
Less: Provision for impairment	(640.50)	(550.86)
	10995.84	8822.45

Refer note 17 for details of trade receivables pledged against borrowings.

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	4424.97	6464.60	80.21	26.06	-	-	10995.84
- credit impaired	13.87	77.48	61.11	60.03	69.22	358.79	640.50
Total undisputed trade receivables (A)	4438.84	6542.08	141.32	86.09	69.22	358.79	11636.34
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)	4438.84	6552.09	161.05	117.25	168.08	729.87	12167.18

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	3430.11	5327.07	2.44	61.77	1.01	0.05	8822.45

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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	
- credit impaired	-	84.13	54.77	84.61	230.80	96.55	550.86
Total undisputed trade receivables (A)	3430.11	5411.20	57.21	146.38	231.81	96.60	9373.31
Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	0.02	93.85	32.54	309.98	436.39
Total disputed trade receivables (B)	-	-	0.02	93.85	32.54	309.98	436.39
As at 31 March 2022 (A+B)	3430.11	5411.20	57.23	240.23	264.35	406.58	9809.70

There were no unbilled receivables as at 31 March 2023 and as at 31 March 2022.

9 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Loan to subsidiary		
Unsecured, considered good (refer note 51 and 40)	8499.34	7994.60
	8499.34	7994.60

10 Other Financial Assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Security deposits	1383.24	1168.52
Bank deposits due to mature after 12 months from the reporting date *	6.79	6.79
Derivative assets	490.42	1545.34
	1880.45	2720.65
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)
	-	-
	1880.45	2720.65
Current		
Unsecured, considered good		
Interest accrued on fixed deposits and security deposits	50.20	102.09
Interest accrued on loan to subsidiary (refer note 40)	1190.37	480.11
Derivative assets	1292.36	12.26
Contract assets	8.50	23.53
Other receivables	4.75	10.67
	2546.18	628.66
Doubtful		
Dividend receivable	9.01	9.01
Less: Allowance for doubtful receivable (refer note 40)	(9.01)	(9.01)
	-	-
	2546.18	628.66

* It includes bank deposits held against bank guarantees amounting to INR 6.79 lacs (31 March 2022: INR 6.79 lacs).

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

11 Other Assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Capital advances	259.63	269.32
Advances other than capital advances		
Balance with government authorities	887.75	585.73
Prepayments	59.50	42.15
	1206.88	897.20
Doubtful		
Advances other than capital advances		
Advance to suppliers and service providers	160.72	160.55
	160.72	160.55
Less: Allowance for doubtful advances	(160.72)	(160.55)
	-	-
	1206.88	897.20
Current		
Unsecured, considered good		
Advances other than capital advances		
Advance to suppliers and service providers	5319.12	3247.36
Advance to employees	98.57	106.29
Balance with government authorities	894.59	1894.04
Prepayments	301.74	441.74
Others		
Non-current assets held for sale*	54.11	17.82
	6668.13	5707.25

* During the current year, certain non-factory land and buildings 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.

12 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
(Valued at lower of cost and net realisable value)		
Raw materials	15035.90	15452.65
Work-in-progress	671.24	360.66
Finished goods	16329.65	15480.58
Stock-in-trade	480.37	388.28
Stores and spares	1487.39	1311.78
	34004.55	32993.95
Inventories in transit		
Raw materials	2712.93	1167.19
Finished goods	34.06	40.90
Stores and spares	-	15.55
	2746.99	1223.64
	36751.54	34217.59

The write down of inventories to net realisable value during the year amounted to INR 285.87 lacs (31 March 2022: INR 378.94 lacs). The write down are included in changes in inventories of finished goods.

Refer note 17 for details of inventories pledged against borrowings.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

13 Cash and Cash Equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	-	1.39
Balances with banks		
- on current accounts	953.39	1434.28
	953.39	1435.67

14 Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Unpaid dividend accounts	85.31	81.26
Deposits with banks with original maturity of more than 3 months but remaining maturity of less than 12 months*	1.00	1048.29
	86.31	1129.55

* It includes bank deposits held against bank guarantees amounting to NIL (31 March 2022: INR 45.47 lacs).

15 Share Capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
9500000 (31 March 2022: 9500000) equity shares of INR 10 each	950.00	950.00
50000 (31 March 2022: 50000) preference shares of INR 100 each	50.00	50.00
	1000.00	1000.00
Issued, subscribed and fully paid-up capital		
7537563 (31 March 2022: 7513903) equity shares of INR 10 each fully paid-up	753.76	751.39
Forfeited shares (amount originally paid-up)	2.72	2.72
	756.48	754.11

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2023		31 March 2022	
	Number of shares	Amount INR In Lacs	Number of shares	Amount INR In Lacs
Shares outstanding at the beginning of the year	7513903	751.39	7492543	749.25
Shares issued on exercise of Employee Stock Option Scheme (refer note 43)	23660	2.37	21360	2.14
Shares outstanding at the end of the year	7537563	753.76	7513903	751.39

(ii) Terms and rights attached to the equity shares

The Company has only one class of equity shares having a face value of INR 10/- each. 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 2023		31 March 2022	
	Number of shares	% of Holding	Number of shares	% of Holding
Central India Industries Limited	1074634	14.26	1074634	14.30
Orient Paper and Industries Limited	906360	12.02	906360	12.06

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

15 Share Capital (Contd.)

(iii) Particulars of shareholders holding more than 5% of total number of equity shares (Contd.)

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 43.

(v) Equity shares of INR 10 each, held by promoters at the end of the year

S. No.	Name of the promoter	31 March 2023			31 March 2022		
		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	4.10%	-	308763	4.11%	-
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	12.06%	-
6	Universal Trading Company Limwited	4000	0.05%	-	4000	0.05%	-
7	Central India Industries Limited	1074634	14.26%	-	1074634	14.30%	-
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	4.22%	-	317743	4.23%	-
11	Shekhavati Investments and Traders Limited	224470	2.98%	-	224470	2.99%	-
		3059212	40.59%	-	3059212	40.70%	-

16 Other Equity

(A) Reserves and surplus

(i) Securities premium

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the commencement of the year	1192.50	941.86
Add: Additions during the year	400.93	250.64
	1593.43	1192.50

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 2023	As at 31 March 2022
Balance at the commencement of the year	43100.00	42100.00
Add: Amount transferred from surplus balance in the standalone statement of profit and loss	1000.00	1000.00
	44100.00	43100.00

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 2023 (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 2023	As at 31 March 2022
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 2023	As at 31 March 2022
Balance at the commencement of the year	230.95	279.87
Less: Shares exercised during the period	(111.29)	(120.35)
Add: Share based payment expenses (refer note 28)	(106.08)	71.43
	13.58	230.95

The Company has formulated equity-settled share-based payment plans for certain categories of employees of the Company. Refer note 43 for further details on these plans.

(v) Retained earnings

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the commencement of the year	57685.20	43519.46
Add: Profit for the year	13009.84	18582.82
<i>Items of other comprehensive income directly recognised in retained earnings</i>		
- Remeasurement of post employment benefit obligations, net of tax	88.69	(41.16)
Amount available for appropriations	70783.73	62061.12
Less : Appropriations		
Interim dividend on equity shares (amount per share INR 20.00 (31 March 2022: INR 20.00))	(1507.07)	(1502.78)
Transferred to general reserve	(1000.00)	(1000.00)
Final dividend on equity shares (amount per share INR 45.00 (31 March 2022: INR 25.00))	(3381.26)	(1873.14)
Total appropriations	(5888.33)	(4375.92)
Total retained earnings	64895.40	57685.20
Total reserves and surplus (A)	110637.41	102243.65

(B) Other comprehensive income ("OCI")

Particulars	As at 31 March 2023	As at 31 March 2022
Equity investments through OCI		
Balance at the commencement of the year	25.29	23.29
Changes in fair value	(0.46)	2.00
Total other comprehensive income (B)	24.83	25.29
Total (A+B)	110662.24	102268.94

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 2023	As at 31 March 2022
Dividend on equity shares (amount per equity share INR 25.00 (31 March 2022: INR 45.00))	1884.39	3381.26

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. Dividends paid during the year ended 31 March 2022 include an amount of INR 25.00 per equity share towards final dividend for the year ended 31 March 2021 and an amount of INR 20.00 per equity share towards interim dividends for the year ended 31 March 2022.

The Board of Directors of the Company have recommended a final dividend of INR 25.00 per share (250%) on 15 May 2023 for the financial year ended 31 March 2023. This, together with an interim dividend of INR 20.00 per share (200%) declared during the year, the total dividend for the financial year ended 31 March 2023 works out to INR 45.00 per share (450%) on equity shares of INR 10 each.

17 Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current borrowings		
Secured		
Term loan from others		
- Interest free sales tax loan from a financial institution (refer note (a) below)	1187.80	1092.45
Unsecured		
Deferred payment liabilities		
- Deferred sales tax loan (refer note (b) below)	-	4.98
	1187.80	1097.43
Current borrowings		
Unsecured		
Loans repayable on demand		
From banks		
- Working capital loan (refer note (c) below)*	10520.54	2503.19
Deferred payment liabilities		
- Current maturities of deferred sales tax loan (refer note (b) below)	4.98	132.26
Secured		
Term loan from others		
- Current maturities of interest free sales tax loan from a financial institution (refer note (a) below)	-	2884.82
	10525.52	5520.27
	11713.32	6617.70

* Includes an amount of INR 20.54 lacs for year ended 31 March 2023 (31 March 2022: NIL), towards the interest accrued but not due on working capital loan.

(a) Represents interest free sales tax loan taken from a financial institution, 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 machinery 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 2023 (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 is interest free and repayable on yearly basis having last instalment due in financial year 2023-24.
- (c) During the year ended 31 March 2023, the Company availed working capital loans from four banks (INR 5000 lacs from Kotak Mahindra Bank Limited, INR 7000 lacs from The Federal Bank Limited, INR 10500 lacs from HDFC Bank Limited and INR 3000 lacs from ICICI Bank Limited), out of which an amount of INR 3500 lacs from The Federal Bank Limited, INR 4000 lacs from HDFC Bank Limited and INR 3000 lacs from ICICI Bank Limited are outstanding as at 31 March 2023. 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 5.75% p.a. to 7.95% p.a during the year (31 March 2022: 4.00% p.a. to 4.25% p.a).
- (d) The Company has not availed any specific borrowings 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.
- (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.

18 Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Lease liabilities (refer note 54)	482.74	533.37
	482.74	533.37
Current		
Lease liabilities (refer note 54)	275.74	158.66
	275.74	158.66

19 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 41)	2203.00	1537.12
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 40 for payables to related parties)	21223.60	18708.95
	23426.60	20246.07

Particulars	Unbilled dues	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1141.39	1059.35	-	2.26	-	2203.00
(ii) Others	4399.29	10930.31	5558.59	95.48	62.12	106.98	21152.77
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	70.83	70.83
As at 31 March 2023	4399.29	12071.70	6617.94	95.48	64.38	177.81	23426.60

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

19 Trade Payables (Contd.)

Particulars	Unbilled dues	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1365.50	157.11	5.16	-	-	1527.77
(ii) Others	3895.78	9823.23	4678.43	96.92	20.45	118.60	18633.41
(iii) Disputed dues - MSME	-	-	-	9.35	-	-	9.35
(iv) Disputed dues - Others	-	-	-	-	-	75.54	75.54
As at 31 March 2022	3895.78	11188.73	4835.54	111.43	20.45	194.13	20246.07

20 Other Financial Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Liabilities on business acquisition (refer note 33)	19.27	-
	19.27	-
Current		
Capital creditors (refer note 41)	1149.56	645.12
Unpaid dividend*	85.31	81.26
Sundry deposits	4527.22	4335.68
Derivative liabilities	7.27	32.67
Contract liability against performance obligation	1295.53	1393.10
Contract liability against payment	2427.10	4546.17
Liabilities on business acquisition (refer note 33)	46.81	-
Other financial liabilities	1793.27	1926.91
	11332.07	12960.91

* 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 2023	As at 31 March 2022
Non-current		
Provision for employee benefits		
- Gratuity (refer note 36)	316.12	324.25
- Other long-term employee benefit plans	340.57	529.07
- Compensated absences	676.88	687.24
	1333.57	1540.56
Current		
Provision for employee benefits		
- Compensated absences	112.90	128.35
- Other long-term employee benefit plans	175.85	711.28
- Employee related other costs (refer note 42)	-	96.50
Other provisions		
- Provision for litigations (refer note 42)	307.25	307.25
- Provision- others (refer note 42)	390.00	390.00
	986.00	1633.38

22 Other Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Government grant	28.18	112.73
	28.18	112.73

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

22 Other Liabilities (Contd.)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Statutory liabilities	893.44	1114.45
Government grant	84.55	84.55
Other liabilities	1696.83	1727.22
	2674.82	2926.22

23 Revenue from Operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contracts with customers		
- Sale of products		
Finished goods	206196.12	190535.17
Traded goods	8431.70	5637.91
- Sale of services		
Service concession arrangements (refer note 45)	225.48	216.40
Other operating revenues		
- Scrap sales	571.38	573.14
- Liabilities no longer required, written back	95.80	385.83
	215520.48	197348.45

Disaggregation of revenue

Particulars	Reportable segments FY 2022-23			
	Roofing Solutions	Building Solutions	Polymer Solutions	Others
By sources of revenue				
Revenue from contracts with customers	111209.07	50755.95	52517.18	371.10
Other operating revenues	337.09	229.95	99.92	0.22
	111546.16	50985.90	52617.10	371.32
By geographical markets				
- India	110759.54	50253.97	52492.39	371.32
- Others	786.62	731.93	124.71	-
	111546.16	50985.90	52617.10	371.32
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	-	-
- Others	-	23.58	-	371.32
	111546.16	50985.90	52617.10	371.32

Particulars	Reportable segments FY 2021-22			
	Roofing Solutions	Building Solutions	Polymer Solutions	Others
By sources of revenue				
Revenue from contracts with customers	104061.69	39879.17	52014.35	769.33
Other operating revenues	389.87	119.51	96.44	18.09
	104451.56	39998.68	52110.79	787.42
By geographical markets				
- India	103809.95	39093.38	51504.40	740.82
- Others	641.61	905.30	606.39	46.60
	104451.56	39998.68	52110.79	787.42

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

23 Revenue from Operations (Contd.)

Particulars	Reportable segments FY 2021-22			
	Roofing Solutions	Building Solutions	Polymer Solutions	Others
By major product lines				
- Cement based products: sheets, panels, boards	104116.51	14855.32	-	-
- Pipes and Fittings	-	-	32121.62	-
- Putty and dry mix	-	531.87	19989.17	-
- Fly ash blocks	-	24603.00	-	-
- Others	-	8.49	-	1122.47
	104116.51	39998.68	52110.79	1122.47

Reconciliation of revenue recognised with contract prices

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue as per contracted price	222176.11	201593.71
Less: Discounts	7322.81	5204.23
	214853.30	196389.48

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 2023	For the year ended 31 March 2022
Trade receivables	1216718	9809.70
Contract liabilities	3722.63	5939.27

- Trade receivables are the amounts receivable by the Company from the Revenues from Contracts with customers and other operating revenues.
- 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 5939.27 lacs included in contract liabilities at 31 March 2022 have been recognised as revenue during the year ended 31 March 2023 (31 March 2022: INR 4288.31 lacs).

24 Other Income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Dividend income on equity securities - at FVOCI- investment held at reporting date (refer note 7)	0.38	0.25
Gain on sale of current investments, net	79.56	34.16
Interest income under the effective interest method on financial assets at amortised cost	74.31	152.59
Interest income from loan to subsidiary at amortised cost (refer note 40)	659.76	655.50
Interest on income-tax refund (refer note 34)	504.70	-
Rental income		
From investment property (refer note 5)	497.63	483.61
From others	10.60	11.46
Net gain on sale of property, plant and equipment	-	730.66
Net gain on foreign currency transactions	760.51	14714
Fair value gain on financial assets measured at fair value through profit and loss, net	250.58	671.58
Government grants	84.55	84.55
Miscellaneous income	329.78	225.13
	3252.36	3196.63

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

25 Cost of Materials Consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory of materials at the beginning of the year	16619.84	8677.33
Add: Acquisitions through business combination (refer note 33)	34.18	-
Add: Purchases during the year	121251.57	115115.79
Less: Inventory of materials at the end of the year	17748.83	16619.84
	120156.76	107173.28

26 Purchases of Stock-in-Trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchases of stock-in-trade	6434.98	4270.09

27 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the beginning of the year		
Finished goods	15521.48	11085.45
Stock-in-trade	388.28	381.67
Work-in-progress	360.66	207.02
	16270.42	11674.14
Inventories at the end of the year		
Finished goods	16363.71	15521.48
Stock-in-trade	480.37	388.28
Work-in-progress	671.24	360.66
	17515.32	16270.42
Changes in inventories	(1244.90)	(4596.28)
Add: Stocks of finished goods out of trial run production	6.15	-
Add: Inventories acquired through business combinations (refer note 33)	12.10	-
	(1226.65)	(4596.28)

28 Employee Benefits Expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	14228.55	13193.02
Contribution to provident and other funds (refer note 36)	762.35	672.43
Employee share based payment expense - equity settled (refer note 43)	(106.08)	71.43
Gratuity expenses (refer note 36)	267.39	243.90
Staff welfare expenses	1043.77	792.58
	16195.98	14973.36

29 Finance Costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expenses on long-term loans measured at amortised cost	-	8.80
Interest expenses on working capital loans measured at amortised cost	256.16	48.03
Interest expenses on other financial liabilities measured at amortised cost	98.46	87.86
Interest expenses on lease liabilities	62.49	53.39
Interest expenses on income-tax	9.58	13.74
Interest expenses on others	236.16	238.99
	662.85	450.81

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4)	5090.61	4874.50
Amortisation of intangible assets (refer note 6)	392.99	272.07
Depreciation on investment property (refer note 5)	30.37	30.37
Depreciation on right of use assets (refer note 4)	291.56	204.36
	5805.53	5381.30

31 Other Expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spares	4453.68	3988.66
Power and fuel	8789.89	7029.05
Contract wages	6156.11	5458.50
Repairs and maintenance		
Plant and machinery (excluding stores and spares consumption)	828.50	888.28
Buildings	264.64	94.35
Others	1286.33	1019.22
Carriage outwards	20411.15	19285.13
Packing expenses	1074.84	775.82
Rent (refer note 54)	462.20	302.18
Rates and taxes	333.57	328.96
Insurance	204.06	188.18
Professional, consultancy and legal expenses (refer note (i) below)	2438.47	1903.88
Advertisement and sales promotion	2820.75	3250.95
Travelling and conveyance	2193.09	1141.41
Commission on sales	92.44	381.69
Directors' commission	120.00	120.00
Directors' fee	58.00	63.75
Donations	100.00	100.00
Net loss on sale of property, plant and equipment	180.86	-
Provision for impairment of receivables, advances and other assets, net	163.46	(506.15)
Bad debts written off	-	577.74
Expenditure on corporate social responsibility (refer note 32)	343.03	291.15
Miscellaneous	1600.35	1378.39
	54375.42	48061.14

Note:

- (i) Payment to auditors (included in professional, consultancy and legal expenses) (exclusive of taxes)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor		
Statutory audit fee	63.00	48.00
Tax audit fee	6.00	6.00
Limited review of quarterly results	27.00	27.00
Consolidation	12.00	12.00
For other services		
For certification and income-tax matters	19.80	16.70
For reimbursement of expenses		
	9.72	4.95
	137.52	114.65

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 2023	For the year ended 31 March 2022
a) Gross amount required to be spent by the Company during the year	342.64	290.10
b) Amount spent during the year (in cash) :		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	343.03	291.15
iii) Nature of CSR activities		
Eradicating hunger, poverty and malnutrition	40.45	72.00
Promoting education	77.68	204.26
Promoting gender equality	22.10	2.00
Environmental initiatives	95.00	7.89
Protection of national heritage, art and culture	103.20	-
Disaster management	-	5.00
Rural Development	4.60	-
c) Related party transactions	-	-
d) Shortfall at the end of the year	-	-
e) Movements in provision of liability created	-	-

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	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. 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

33 Business Acquisition (Contd.)

(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	<i>Market comparison technique and cost technique:</i> 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	<i>Relief-from-royalty method and with-without method:</i> 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	<i>Market comparison technique:</i> 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		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 216444.04 lacs and Profit before tax of the Company for the year would have been INR 16189.45 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 2023	For the year ended 31 March 2022
Current tax	3859.89	6957.26
Income-tax for earlier years	(837.07)	0.10
Deferred tax attributable to temporary differences	335.31	(708.80)
Tax expenses	3358.13	6248.56

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 received interest on income-tax refund amounting to INR 504.70 lacs against the refund received during the current year.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

34 Income-Tax (Contd.)

(B) Amount recognised in other comprehensive income ("OCI")

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax related to items recognised in OCI		
Deferred tax (expense) / income on remeasurements of defined benefit plans	(29.83)	13.84
Deferred tax income / (expense) on fair value gain on investments in equity instruments through OCI	0.12	(0.59)
Deferred tax (expense) / income recognised in OCI	(29.71)	13.25

(C) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	16367.97	24831.38
Enacted tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	4119.49	6249.56
Tax effect of:		
Non-deductible tax expenses	110.61	54.17
Rate difference	0.20	(18.25)
Recognition of tax allowances	(35.10)	(37.02)
	4195.20	6248.46
Adjustments in respect of income-tax for earlier years	(837.07)	0.10
Income-tax expense recognised in the standalone statement of profit and loss	3358.13	6248.56

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

Particulars	31 March 2023	31 March 2022
Deferred tax liabilities		
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	5719.30	5629.47
Fair value gain on derivatives	181.72	181.72
Others	14.80	17.64
Total deferred tax liabilities (A)	5915.82	5828.83
Deferred tax assets		
Allowable for tax purposes on payment basis	1415.34	1887.72
Provision for doubtful trade receivables	536.72	495.58
Others	251.24	315.31
Total deferred tax assets (B)	2203.30	2698.61
Net deferred tax liability (A-B)	3712.52	3130.22

(E) Movement in temporary differences:

Particulars	Balance as at 01 April 2021	Recognised in profit or loss during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March 2022	Recognised in profit or loss during 2022-23	Recognised in OCI during 2022-23	Acquired on business combination	Balance as at 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	5601.94	27.53	-	5629.47	(127.45)	-	217.28	5719.30
Fair valuation gain in derivatives	181.73	(0.01)	-	181.72	-	-	-	181.72
Others	17.90	(0.85)	0.59	17.64	(2.72)	(0.12)	-	14.80
Total deferred tax liabilities (A)	5801.57	26.67	0.59	5828.83	(130.17)	(0.12)	217.28	5915.82
Deferred tax assets								
Allowable for tax purposes on payment basis	1157.48	730.24	-	1887.72	(472.38)	-	-	1415.34

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

34 Income-Tax (Contd.)

(E) Movement in temporary differences: (Contd.)

Particulars	Balance as at 01 April 2021	Recognised in profit or loss during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March 2022	Recognised in profit or loss during 2022-23	Recognised in OCI during 2022-23	Acquired on business combination	Balance as at 31 March 2023
Provision for doubtful trade receivables	623.02	(127.44)	-	495.58	41.14	-	-	536.72
Others	168.80	132.67	13.84	315.31	(34.24)	(29.83)	-	251.24
Total deferred tax assets (B)	1949.30	735.47	13.84	2698.61	(465.48)	(29.83)	-	2203.30
Net deferred tax (asset) / liability (A-B)	3852.27	(708.80)	(13.25)	3130.22	335.31	29.71	217.28	3712.52

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.

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 2023	31 March 2022
Contribution to provident fund	728.85	631.43
Contribution to employees state insurance schemes	12.94	15.75
Contribution to superannuation fund	20.56	25.25
	762.35	672.43

(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 managed by a trust is a defined benefit gratuity plan which 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 2023 (31 March 2022: no decrease in defined benefit asset). Project unit credit method has been used for valuation.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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

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 2023	31 March 2022
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	2277.35	2021.22
Current service cost	245.04	233.88
Interest cost	157.02	135.32
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	(28.90)
- change in financial assumptions	(92.10)	26.52
- experience variance (i.e. actual experience vs assumptions)	0.10	36.24
Benefits paid	(187.75)	(146.93)
Changes due to business acquisition	21.73	-
Balance at the end of the year	2421.39	2277.35
<i>Reconciliation of the present value of plan assets</i>		
Balance at the beginning of the year	1953.10	1871.50
Interest income	134.67	125.29
Contributions paid into the plan	0.34	0.04
Benefits paid	(9.36)	(22.59)
Return on plan assets, excluding amount recognised in net interest expense	26.52	(21.14)
Balance at the end of the year	2105.27	1953.10
Net defined benefit liability recognised in standalone balance sheet	316.12	324.25
<i>Expense recognised in standalone statement of profit and loss</i>		
Current service cost	245.04	233.88
Net Interest cost on the net defined benefit liability	22.35	10.02
	267.39	243.90
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial loss / (gain) on defined benefit obligation	(92.00)	33.86
Return on plan assets, excluding amount recognised in net interest expense	(26.52)	21.14
	(118.52)	55.00

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2023	31 March 2022
Fund managed by LIC	100%	100%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2023	31 March 2022
Discount rate	7.45%	6.90%
Future salary growth	8.00%	11.00% for the next year and 8.00% thereafter
Attrition rate	7.00%	7.00%
Mortality rate (as a % of Indian Assured Lives Mortality 2012-14 (IALM) for FY 2022-23 and FY 2021-22)	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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36 Employee Benefits (Contd.)

(b) Defined benefit plan (Contd.)

ii. Actuarial assumptions (Contd.)

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.

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 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	2268.86	2594.34	2129.14	2445.99
Effect of 1% change in the assumed salary growth rate	2591.72	2268.25	2441.92	2129.81
Effect of 50% change in the assumed attrition rate	2395.21	2455.57	2237.66	2331.99

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 572.74 lacs to the plan for the next annual reporting period (31 March 2022: INR 559.25 lacs).

Maturity profile of the defined benefit obligation

Expected cash flows

Particulars	31 March 2023	31 March 2022
Within 1 year	420.21	411.54
2 to 5 years	1039.19	904.24
6 to 10 years	981.19	935.19
More than 10 years	2105.18	1875.24

As at 31 March 2023, the weighted average duration of the defined benefit obligation was 7 years (31 March 2022: 7 years).

(c) Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

37 Earnings Per Share ("EPS")

Particulars	31 March 2023	31 March 2022
(a) Net profit attributable to the equity shareholders	13009.84	18582.82
(b) Weighted average number of equity shares outstanding during the year	7522142	7501380
(c) Effect of potential equity shares on employee stock options outstanding	1930	48933

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

37 Earnings Per Share ("EPS") (Contd.)

Particulars	31 March 2023	31 March 2022
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b) + (c)]	7524072	7550313
(e) Nominal value of equity shares (in INR)	10.00	10.00
(f) Basic earnings per share (in INR) [(a)/(b)]	172.95	247.73
(g) Diluted earnings per share (in INR) [(a)/(d)]	172.91	246.12

38 Capital Commitments

Particulars	31 March 2023	31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1525.52	2869.92

39 Contingent Liabilities

A. Contingent liabilities (not provided for) in respect of:

Particulars	31 March 2023	31 March 2022
(a) Demand raised by the Income-tax authorities, being disputed by the Company*	1095.06	1873.04
(b) Demands raised by sales tax and Goods and service taxes authorities, being disputed by the Company**	8840.39	1953.45
(c) Demands (including penalties) raised by excise authorities, being disputed by the Company***	689.21	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	1535.22	1535.22
(f) Demand for property tax, being disputed by the Company^	-	1083.00
(g) Other claims against the Company not acknowledged as debts ****	286.64	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, the Company has received demand from Goods and Services Tax Department, Government of Tamil Nadu, Chennai amounting to INR 7160 lacs with regards to HSN (Harmonized System Nomenclature) Classification code of one of the product sold by the Company. Aggrieved by the same, the Company has challenged the said Orders by filing Appeals before Deputy Commissioner (Appeals), Chennai which are pending for disposal. As on 31 March 2023, the Company has considered the aforesaid amount as contingent liability.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 demand raised by the excise authority is mainly towards excise duty demand including interest and penalty towards disallowance of avilment 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.

^ During the previous year, 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 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. The Company is awaiting fresh demand notice from GHMC consequent to the order of Honourable High Court.

The Company is contesting the demands and the Management believe that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in the standalone financial statements for the demand raised / show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the Company's standalone financial statements.

- 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 2023	31 March 2022
Supercor Industries Limited (refer note 46(b))	Joint venture	Nigeria	33%	33%
HIL International GmbH (refer note 46(a))	Wholly owned subsidiary	Germany	100%	100%
Parador Holding GmbH (refer note 46(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	England	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)
Mr. Mahesh Thakar	Company Secretary and Head - Legal (till 27 January 2023)
Non-Executive Directors and Independent Directors	
Mr. CK Birla	Chairman (Non-Executive Director)
Mr. Desh Deepak Khetrapal	Non-Executive Director
Mrs. Gauri Rasgotra	Independent Director

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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
Mr. V.V. Ranganathan	Independent Director
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
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 2023	31 March 2022
Non-Executive Directors and Independent Directors	Sitting fees, reimbursements and commission	178.00	183.75
Managing Director and Chief Executive Officer			
- Mr. Dhirup Roy Choudhary	Managerial remuneration		
	- Remuneration*	516.82	458.85
	- Perquisite value of ESOPs exercised during the year	303.50	815.95
	- Long term incentives	-	352.90
	Dividend Paid	18.17	7.90
- Mr. Akshat Seth	Managerial remuneration		
	- Remuneration*	123.27	-
Chief Financial Officer			
- Mr. KR Veerappan	Salaries*	87.10	209.90
	Long term incentives	-	108.37
	Salary advance given	-	20.00
	Salary advance refund back	-	20.00
- Mr. Saikat Mukhopadhyay	Salaries*	177.59	-
Company Secretary (Mr. Mahesh Thakar)	Salaries*	57.95	70.89
Mr. Chandra Kant Birla	Dividend Paid	33.39	23.12
Ms. Avanti Birla	Salaries*	131.82	-
Parador GmbH, Germany	Purchase of goods	-	108.38
	Reimbursement of expenses	-	12.15
HIL International GmbH, Germany	Interest income on loan	659.76	655.50
	Interest received on loan	21.78	351.05
	Loans given ^^	1606.20	-
	Loans repaid ^^	1684.35	-
GMMCO Limited	Purchase of goods	24.61	9.45
	Purchase of services	6.97	9.08
Orient Electric Limited	Purchase of goods	6.36	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 2023	31 March 2022
National Engineering Industries Limited	Rent paid	139.35	86.50
	Reimbursements	22.24	12.12
Birla Buildings Limited	Rent paid	0.34	0.44
	Rent received	0.04	0.04
	Purchase of services	32.94	31.59
	Reimbursements	24.88	12.03
	Dividend received	0.38	0.25
CK Birla Corporate Services Limited	Professional services	613.15	574.46
	Brand usage	116.43	109.95
	Reimbursements	17.70	15.54
Orient Paper and Industries Limited	Rent received	66.04	66.04
	Sale of finished goods	12.80	2.97
	Dividend paid	589.13	407.86
Orient Cement Limited	Rent received	81.84	81.84
	Sales of finished goods	2.04	2.48
Central India Industries Limited	Dividend paid	698.51	483.59
CK Birla Healthcare Private Limited	Purchase of services	-	12.71
Amer Investments (Delhi) Limited	Dividend paid	200.70	138.94
Ashok Investment Corporation Limited	Dividend paid	206.53	142.98
Hitaishi Investments Limited	Dividend paid	43.59	30.18
Hyderabad Agencies Private Limited	Dividend paid	2.67	1.85
Gwalior Finance Corporation Limited	Dividend paid	62.53	43.29
Ranchi Enterprises and Properties Limited	Dividend paid	2.93	2.03
Shekhavati Investments and Traders Limited	Dividend paid	145.91	101.01
Universal Trading Company Limited	Dividend paid	2.60	1.80

C Balances outstanding^

Related party	Details	31 March 2023	31 March 2022
Supercor Industries Limited, Nigeria	Dividend receivable on investments #	9.01	9.01
Non-Executive Directors and Independent Directors	Commission	120.00	120.00
Managing Director and Chief Executive Officer			
- Mr. Dhirup Roy Choudhary	Managerial remuneration		
	-Remuneration*	-	69.39
	-Long term incentives	-	352.90
- Mr. Akshat Seth	Managerial remuneration		
	-Remuneration*	37.50	-
Chief Financial Officer			
- Mr. KR Veerappan	Salaries*	-	31.59
	Long term incentives	-	108.37
- Mr. Saikat Mukhopadhyay	Salaries*	23.44	-
Company Secretary (Mr. Mahesh Thakar)	Salaries*	-	10.81
Parador GmbH, Germany	Trade payable	-	11.55
HIL International GmbH, Germany**	Loan given	8499.34	7994.60
	Interest accrued on loan given	1190.37	480.11
GMMCO Limited	Trade payable	2.03	0.34
Birla Buildings Limited	Rent payable	1.53	0.63
CK Birla Corporate Services Limited	Trade payables	32.66	166.18
Orient Cement Limited	Trade receivable	0.02	-
National Engineering Industries Limited	Reimbursements	0.17	0.09

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

40 Related Parties (Contd.)

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.

* As the future liabilities for gratuity, compensated absences and other long-term employee benefit plans are provided on an actuarial basis and 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 related party loan given to HIL International GmbH, Germany 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 2022: 8% p.a.).

^^ During the year, the Company has given a loan to HIL International GmbH, Germany which was repaid fully during the year. Refer note 61.

^ Disclosures are including (Goods and Services Tax) GST, wherever applicable.

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

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 2023	31 March 2022
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [(including INR 162.68 lacs shown under capital creditors (31 March 2022: INR 97.42 lacs) and INR 66.08 lacs shown under liabilities on business acquisition]	2431.76	1634.54
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	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

42 Other Provisions

Particulars	Opening balance	Created during the year	Utilised during the year	Closing balance	Current	Non-current
(i) For the financial year 2022-23						
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	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

42 Other Provisions (Contd.)

Particulars	Opening balance	Created during the year	Utilised during the year	Closing balance	Current	Non-current
(ii) For the financial year 2021-22						
Provision for employee related other costs [refer note (a) below]	54.68	75.77	33.95	96.50	96.50	-
Provision for litigations [refer note (b) below]	348.58	-	41.33	307.25	307.25	-
Provision - others [refer note (c) below]	410.01	-	20.01	390.00	390.00	-
	813.27	75.77	95.29	793.75	793.75	-

- (a) The wage agreement at none of the manufacturing locations (31 March 2022: at two) of the Company are pending as at 31 March 2023.
- (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.

43 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 May 2015, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2015 (ESOP scheme 2015) for issue of stock options to identified employees of the Company.

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. No options are granted as on 31 March 2023 with respect to ESOP scheme 2023. 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 2015 and ESOP scheme 2019 are as below:

Particulars	ESOP scheme 2019 Grant I	ESOP scheme 2015 Grant II
Date of grant	14 October 2019	27 July 2017
Number of options outstanding	3336	-
Vesting period	40% - end of year 3 60% - end of year 4	40% - end of year 3 60% - end of year 4
Exercise period	4 years from the respective dates of vesting	4 years from the respective dates of vesting
Exercise price (INR)	1234.15	620.00
Weighted average market price (INR)	1234.15	1091.02

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

43 Share based Payments (Contd.)

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 and 31 March 2022

Particulars	ESOP scheme 2015	
	Grant II	
	Tranche 1	Tranche 2
Grant date	27 July 2017	
Fair value at grant date (INR)	563.45	563.45
Exercise price (INR)	620.00	620.00
Expected volatility (weighted average volatility)	33.04%	33.67%
Risk-free interest rate (based on government bonds)	6.41%	6.41%
Time to maturity (in years)	6.00	7.00
Expected dividends yields	2.50%	2.50%

Particulars	ESOP scheme 2019	
	Grant I	
	Tranche 1	Tranche 2
Grant date	14 October 2019	
Fair value at grant date (INR)	470.38	470.38
Exercise price (INR)	1234.15	1234.15
Expected volatility (weighted average volatility)	37.62%	37.89%
Risk-free interest rate (based on government bonds)	6.32%	6.56%
Time to maturity (in years)	5.00	6.00
Expected dividends yields	2.05%	2.05%

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 4.54 years (31 March 2022: 5.14 years).

C. Reconciliation of outstanding share options

The details of activity under "ESOP scheme 2015 and ESOP scheme 2019" are summarised below:

Particulars	31 March 2023	31 March 2022
	No. of options	No. of options
Outstanding at the beginning of the year	70411	108227
Granted during the year	-	-
Cancelled during the year*	43415	16456
Vested and exercised during the year	23660	21360
Outstanding at the end of the year	3336	70411

* 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 2023 was INR 2618.71 per share (31 March 2022: INR 4440.00 per share).

D. Expense recognised in the standalone statement of profit and loss

During the current 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

44 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 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
As at 31 March 2022	USD	43	10565474	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

45 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 225.48 lacs (31 March 2022: INR 216.40 lacs) on generation of power, and recorded profit of INR 69.89 lacs (31 March 2022: INR 67.30 lacs).

46 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

46 Investment (Contd.)

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 2022	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 2022 and 2021 are as follows:

Proportion of Company's interest in a joint venture company

Particulars	31 December 2022 (Unaudited)*	31 December 2021 (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 2023 and 31 March 2022, 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 2023 amounts to INR NIL (31 March 2022: INR NIL), after considering the provision for diminution in value of investments amounting to INR 142.60 lacs (31 March 2022: 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.

47 Leases - In the Capacity of Lessor

The Company has given certain properties under non-cancellable leases to various parties. Following are the details of future minimum lease receivables under the agreements:

Particulars	31 March 2023	31 March 2022
Not later than one year	410.31	194.39
Later than one year and not later than five years	585.24	21.00
Later than five years	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

48 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 2023	31 March 2022
Total debt (A)	11713.32	6617.70
Total equity (B)	111418.72	103023.05
Total debt to total equity ratio (A/B)	0.11	0.06

49 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 662.89 lacs (31 March 2022: INR 525.38 lacs) and assets / equipment purchased for research activities of INR 41.78 lacs (31 March 2022: INR 85.98 lacs) disclosed under Property, plant and equipment.

50 Expenditure during Construction Period (included in capital work-in-progress)

Particulars	31 March 2023	31 March 2022
Balance brought forward (A)	20.50	6.00
Expenditure incurred during the year		
Cost of material consumed	10.82	1.59
Employee benefits expense	40.35	1.48
Consumption of stores and spares	8.19	-
Contract wages	10.11	2.65
Power and fuel	7.48	0.39
Printing & stationary	0.03	-
Rent	10.31	-
Rates and taxes	1.74	3.83
Insurance	1.64	-
Professional, consultancy and legal expenses	7.11	5.92
Travelling and conveyance	8.17	4.89
Miscellaneous	21.96	1.79
Total expenditure during construction period (B)	127.91	22.54
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	28.54
Allocated to property, plant and equipment	139.93	8.04
Balance carried forward	-	20.50

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

51 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 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	27346.24	-	-	-	27346.24
Supercor Industries Limited, Nigeria (refer note 46 (c))	-	-	-	-	-

Entity	As at 31 March 2021	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2022
Investment in equity instruments					
HIL International GmbH, Germany	27346.24	-	-	-	27346.24
Supercor Industries Limited, Nigeria (refer note 46 (c))	-	-	-	-	-

b) The Company has given unsecured interest bearing loans to its following subsidiary:

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	7994.60	-	504.74	8499.34	10105.54

Entity	As at 31 March 2021	Given / (repaid) during the year**	Impact of foreign exchange translation	As at 31 March 2022*	Maximum balance outstanding during the year
HIL International GmbH, Germany	8144.24	-	(149.64)	7994.60	8144.24

*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 2022: 8% p.a.).

** During the 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.

52

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 2023, 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

- 53** 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.

54 Leases - In the Capacity of Lessee

The following tables summarise the movement in lease liabilities :

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	692.03	383.05
Additions	345.18	478.51
Interest expenses	62.49	53.39
Deletions	(28.36)	-
Repayment of principal & interest lease liabilities	(312.86)	(222.92)
Balance at the end	758.48	692.03

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 2023	For the year ended 31 March 2022
Expenses relating to short term leases (refer note 31)	462.20	302.18
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 2023	For the year ended 31 March 2022
Depreciation on Right-of-use assets	291.56	204.36
Interest expenses	62.49	53.39
	354.05	257.75

Amounts recognised in Statement of Cash flows

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Repayment of principal and interest lease liabilities	312.86	222.92
	312.86	222.92

Total minimum lease payments are as follows:

Particulars	31 March 2023	31 March 2022
Not later than 1 year	365.67	207.72
Later than 1 year and not later than 5 years	328.62	341.18
More than 5 years	1429.88	1404.34

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 2023

Particulars	Notes	Carrying amount				Fair value			Total	
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2		Level 3
Financial assets measured at fair value										
Derivative assets	10	1782.78	-	-	-	1782.78	-	1782.78	-	1782.78
Investments in equity instruments	7	-	33.66	-	-	33.66	-	-	33.66	33.66
		1782.78	33.66	-	-	1816.44	-	1782.78	33.66	1816.44
Financial assets not measured at fair value										
Trade receivables	8	-	-	11016.64	-	11016.64				
Loans	9	-	-	8499.34	-	8499.34				
Other financial assets	10	-	-	2643.85	-	2643.85				
Cash and cash equivalents	13	-	-	953.39	-	953.39				
Other bank balances	14	-	-	86.31	-	86.31				
		-	-	23199.53	-	23199.53				
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	-	-	-	11713.32	11713.32				
Lease liabilities	18	-	-	-	758.48	758.48				
Trade payables	19	-	-	-	23426.60	23426.60				
Other financial liabilities	20	-	-	-	11344.07	11344.07				
		-	-	-	47242.47	47242.47				

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.

31 March 2022

Particulars	Notes	Carrying amount				Fair value			Total	
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2		Level 3
Financial assets measured at fair value										
Derivative assets	10	1557.60	-	-	-	1557.60	-	1557.60	-	1557.60
Investments in equity instruments	7	-	34.24	-	-	34.24	-	-	34.24	34.24
		1557.60	34.24	-	-	1591.84	-	1557.60	34.24	1591.84
Financial assets not measured at fair value										
Trade receivables	8	-	-	8822.45	-	8822.45				
Loans	9	-	-	7994.60	-	7994.60				
Other financial assets	10	-	-	1791.71	-	1791.71				
Cash and cash equivalents	13	-	-	1435.67	-	1435.67				
Other bank balances	14	-	-	1129.55	-	1129.55				
		-	-	21173.98	-	21173.98				

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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.)

Particulars	Notes	Carrying amount					Fair value			Total
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	
Financial liabilities measured at fair value										
Derivative liabilities	20	32.67	-	-	-	32.67	-	32.67	-	32.67
		32.67	-	-	-	32.67	-	32.67	-	32.67
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	6617.70	6617.70				
Lease liabilities	18	-	-	-	692.03	692.03				
Trade payables	19	-	-	-	20246.07	20246.07				
Other financial liabilities	20	-	-	-	12928.24	12928.24				
		-	-	-	40484.04	40484.04				

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.

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 2022-23 and no transfers in either direction in 2021-22.

iii. Level 3 fair values

Particulars	FVOCI Equity securities
Balance at 01 April 2021	31.65
Net change in fair value (unrealised)	2.59
Balance at 31 March 2022	34.24
Balance at 01 April 2022	34.24
Net change in fair value (unrealised)	(0.58)
Balance at 31 March 2023	33.66

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
2022-23		
Annual growth rate (2.5% movement)	151.26	(13.19)
2021-22		
Annual growth rate (2.5% movement)	157.48	(13.66)

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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

The Company has exposure to the following risks arising from financial instruments:

- Liquidity risk
- Market risk
- 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 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.

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 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	-	-	-
Working capital loan	10520.54	10520.54	10520.54	-	-	-
Trade payables	23426.60	23426.60	23426.60	-	-	-
Liabilities on acquisition	66.08	74.12	49.12	25.00	-	-
Capital creditors	1149.56	1149.56	1149.56	-	-	-
Unpaid dividend	85.31	85.31	85.31	-	-	-
Security deposits	4527.22	4527.22	4527.22	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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.)

Particulars	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Contract liabilities	3722.63	3722.63	3722.63	-	-	-
Other financial liabilities	1793.27	1793.27	1793.27	-	-	-
	46483.99	46660.04	45279.23	1380.81	-	-
Derivative financial liabilities						
Derivative liabilities	7.27	7.27	7.27	-	-	-
	7.27	7.27	7.27	-	-	-

31 March 2022

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	3977.27	4240.63	2884.82	-	1355.81	-
Sales tax deferment loan - unsecured	137.24	137.24	132.26	4.98	-	-
Working capital loan	2503.19	2503.19	2503.19	-	-	-
Trade payables	20246.07	20246.07	20246.07	-	-	-
Capital creditors	645.12	645.12	645.12	-	-	-
Unpaid dividend	81.26	81.26	81.26	-	-	-
Security deposits	4335.68	4335.68	4335.68	-	-	-
Contract liabilities	5939.27	5939.27	5939.27	-	-	-
Other financial liabilities	1926.91	1926.91	1926.91	-	-	-
	39792.01	40055.37	38694.58	4.98	1355.81	-
Derivative financial liabilities						
Derivative liabilities	32.67	32.67	32.67	-	-	-
	32.67	32.67	32.67	-	-	-

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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.)

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.

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 2023			As at 31 March 2022		
		Value in foreign currency	Exchange rate	Amount INR in lacs	Value in foreign currency	Exchange rate	Amount INR in lacs
Trade payables	EUR	-	-	-	(13730.07)	84.15	(11.55)
Interest accrued on loan to subsidiaries	EUR	1307483.59	89.47	1169.81	547483.57	84.15	460.73

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 2023					
(1% movement)	EUR	11.70	(11.70)	8.75	(8.75)
31 March 2022					
(1% movement)	EUR	4.49	(4.49)	3.36	(3.36)

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 2023	31 March 2022
Variable rate borrowings including current maturities	10500.00	2503.19
Total borrowings	10500.00	2503.19

Sensitivity analysis

Particulars	Impact on profit and loss	
	31 March 2023	31 March 2022
1% increase in interest rate	(105.00)	(25.03)
1% decrease in interest rate	105.00	25.03

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 2023 (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 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 2023	10990.93	1176.25	(1150.54)	11016.64
31 March 2022	8841.31	968.39	(987.25)	8822.45

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	31 March 2023	31 March 2022
Balance as at 01 April	987.25	1489.12
Amounts written off	-	(577.74)
Net remeasurement of loss allowance	163.29	75.87
Balance as at 31 March	1150.54	987.25

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 2023	31 March 2022	Variance	Reasons for Variance*
a.	Current ratio	Current assets/ Current liabilities	Current assets	Current liabilities	Times	1.17	1.18	(0.72%)	
b.	Debt equity ratio	Total debt/ Shareholders equity	Current Borrowings + Non-current borrowings	Total equity	Times	0.11	0.06	63.66%	Increase in working capital borrowings as at 31 March 2023 has contributed to the variance.
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	Interest + Lease interest payments + Current lease liabilities + Current borrowings	Times	1.74	3.96	(55.97%)	The variance is on account of reduced earnings during the year adjusted with the increased working capital for the year ended 31 March 2023.
d.	Return on equity	Net Profits after taxes/ Average shareholder's equity	Net profits after taxes	Average shareholder's equity	%	12.13%	19.49%	(37.75%)	Increase in raw material costs and freight costs have resulted in reduced profits despite an increase in sales.
e.	Inventory turnover ratio	Sales/ Average inventory	Net sales	Average inventory	Times	6.07	7.11	(14.54%)	
f.	Trade receivables turnover ratio	Sales/ Average accounts receivable	Net sales	Average accounts receivable	Times	19.61	20.54	(4.49%)	
g.	Trade payables turnover ratio	Purchases/ Average accounts payable	Purchases	Average accounts payable	Times	6.06	6.38	(4.97%)	
h.	Net capital turnover ratio	Sales/ Working capital	Net sales	Current assets - Current liabilities	Times	25.10	24.64	1.83%	
i.	Net profit ratio	Net profits after taxes/ Net sales	Net profits after taxes	Net sales	%	6.04%	9.42%	(35.89%)	Increase in raw material costs and freight costs have resulted in reduced profits despite an increase in sales.
j.	Return on capital employed	Earning before interest and taxes / Capital employed	Earning before interest and taxes	Total equity - Intangible assets under development + Non current borrowing + Current borrowings + Deferred tax liabilities	%	13.70%	22.90%	(40.20%)	Increase in raw material costs and freight costs have resulted in reduced profits despite an increase in sales.
k.	Return on investment (Mutual fund)	Income generated from mutual funds/ Average mutual funds invested	Income generated from mutual funds	Average mutual funds invested	%	4.43%	2.88%	53.78%	Improved market performance and holding period has contributed to better returns on the Company's 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	%	4.39	4.32	1.71	

* Reason for variance is given for ratios having % change more than 25%.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

57 Impact of COVID - 19

The Company has considered internal and external sources of information up to the date of approval of these financial statements in evaluating the possible impact that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, intangible assets, inventories, receivables, investments and other financial assets. The Company has applied prudence in arriving at the estimates and assumptions and also performed sensitivity analysis on the assumptions used. The Company is confident about the recoverability of these assets. However, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

58 Benami property

There are no proceeding initiated or pending against the Company as at 31 March 2023 and 31 March 2022, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

59 Wilful defaulter

The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

60 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).

61 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 short-term loan of Euro 2 million (INR 1606.20 lacs) at the interest rate of 8% p.a. to HIL International GmbH, Germany (wholly owned subsidiary company) on 30 September 2022. This loan was utilised by the subsidiary company for further advancing the loan to Parador GmbH, Germany, a wholly owned step-down subsidiary on 04 October 2022 to meet its general business requirements. Further, this loan was repaid to the Company on 27 November 2022. 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, 2002 (15 of 2003).

62 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 2023	Relationship with the struck off company
1.	Paramount PEB Projects Private Limited	Payables	0.36	None
2.	Giriraj Steels Private Limited	Receivables	0.11	None
3.	GCL Enterprises Private Limited	Receivables	0.51	None
4.	Delux Steel Industries Metal And Concast India Private Limited	Receivables	0.02	None
5.	Commercial Probe-Aid Services (India) Private Limited	Shares held by struck off company	200 shares	Shareholder
6.	Integra Micro Systems Private Limited	Shares held by struck off company	108 shares	Shareholder

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

- 63** 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"
- 64** 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.
- 65** The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- 66** During the year, Company Secretary of the Company, being one of the Key Managerial Personnel under the provisions of Section 203 of the Companies Act, 2013 ('Act') resigned w.e.f. 28 January 2023. The Company is in the process of identifying a suitable candidate and fill the said vacancy within the prescribed timelines under the applicable provisions of the Act.

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 15 May 2023

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and Chief Executive Officer
DIN: 10039820
Place: New Delhi

Saikat Mukhopadhyay
Chief Financial Officer
Place: New Delhi
Date: 15 May 2023



Consolidated

**Financial
Statements**



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 2023, 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 a summary of significant 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 were 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 2023, 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
<p>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.</p> <p>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.</p> <p>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.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> - 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;

Impairment of Goodwill and Brand with indefinite useful life (Contd.)

See Note 6 to consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> - 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; - 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
<p>The Group's revenue is primarily derived from sale of products of roofing solutions, building solutions, polymer solutions, flooring solutions and others.</p> <p>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.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> - We assessed the appropriateness of the revenue recognition accounting policies and compliance with applicable 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 Holding Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. If, based on the work we have performed and based on the work done/audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 audits 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 and such other entity included in the consolidated financial statements of which we are the independent auditors 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, whose financial information reflect total assets (before consolidation adjustments) of INR 105,878.12 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of INR 132,507.60 lakhs and net cash inflows (before consolidation adjustments) amounting to INR 465.60 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, 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 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 also include the Group's share of net loss after tax (and other comprehensive income) of INR 119.19 lakhs for the year ended 31 March 2023, 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 statements 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.
- 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 31 March 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above.
- 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 statements of the subsidiaries and unaudited information of the joint venture furnished by the Management, as noted in the "Other Matters" paragraph:

- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 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 2023. Refer Note 53 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 2023.
- d. (i) The management of the Holding Company has 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 has 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 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. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from 1 April 2023, reporting under Rule 11(g)

of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable during the current year by the Holding Company, to its Directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R and Co**
Chartered Accountants
Firm’s Registration No.:128510W

Vikash Somani
Partner
Membership No.: 061272
ICAI UDIN:23061272BGYRVK4984

Place: Hyderabad
Date: 15 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2023

(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	Clause number of the CARO report which is unfavourable/ qualified
01	HIL Limited	L74999TG1955PLC000656	Holding company	Clause (i)(c)

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

Vikash Somani
Partner
Membership No.: 061272
ICAI UDIN:23061272BGYRVK4984

Place: Hyderabad
Date: 15 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of HIL Limited for the year ended 31 March 2023

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)(f) 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 2023, 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 2023, 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 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 consolidated 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 consolidated 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 consolidated 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

Vikash Somani
Partner

Place: Hyderabad
Date: 15 May 2023

Membership No.: 061272
ICAI UDIN:23061272BGYRVK4984

Consolidated Balance Sheet

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	95610.50	88749.43
(b) Capital work-in-progress	4	30475.55	2275.85
(c) Investment property	5	1941.72	1972.09
(d) Goodwill	6 and 33	14245.64	12696.78
(e) Other intangible assets	6	9951.90	9701.38
(f) Intangible assets under development	6	240.10	340.94
(g) Equity accounted investee	46	175.57	294.45
(h) Financial assets			
(i) Investments	7	34.06	34.62
(ii) Trade receivables	8	20.80	-
(iii) Loans	9	2684.00	-
(iv) Other financial assets	10	2183.95	2720.65
(i) Non-current tax assets (net)		539.19	1453.61
(j) Other non-current assets	11	1210.22	954.50
Total non-current assets		131885.20	121194.30
Current assets			
(a) Inventories	12	68413.56	71612.28
(b) Financial assets			
(i) Trade receivables	8	12834.14	10981.37
(ii) Cash and cash equivalents	13	6197.19	6213.88
(iii) Bank balances other than (ii) above	14	86.31	1129.55
(iv) Other financial assets	10	8727.40	4887.33
(c) Current tax assets (net)		361.72	-
(d) Other current assets	11	7933.04	6290.91
Total current assets		104553.36	101115.32
TOTAL ASSETS		236438.56	222309.62
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	756.48	754.11
(b) Other equity	16	123608.95	115888.78
Equity attributable to the owners of the Company		124365.43	116642.89
Non-controlling interest		-	-
Total Equity		124365.43	116642.89
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	20378.48	16335.35
(ia) Lease liabilities	18	1283.48	1463.40
(ii) Other financial liabilities	20	19.27	-
(b) Provisions	21	3277.50	3812.50
(c) Deferred tax liabilities (net)	34	10144.80	9798.58
(d) Other non-current liabilities	22	28.18	112.73
Total non-current liabilities		35131.71	31522.56
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	20366.52	12432.44
(ia) Lease Liabilities	18	1165.85	1038.83
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	19	2203.00	1537.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	31654.77	35384.19
(iii) Other financial liabilities	20	14121.76	16147.87
(b) Other current liabilities	22	3697.45	3043.61
(c) Provisions	21	3539.23	3409.63
(d) Current tax liabilities (net)		192.84	1150.48
Total current liabilities		76941.42	74144.17
TOTAL EQUITY AND LIABILITIES		236438.56	222309.62
Summary of significant 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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 15 May 2023

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and Chief Executive Officer
DIN: 10039820
Place: New Delhi

Saikat Mukhopadhyay
Chief Financial Officer
Place: New Delhi
Date: 15 May 2023

Consolidated 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 2023	For the year ended 31 March 2022
I Revenue from operations	23	347895.89	352023.51
Other income	24	2534.28	3044.51
TOTAL INCOME (I)		350430.17	355068.02
II EXPENSES			
Cost of materials consumed	25	194905.51	194915.55
Purchases of stock-in-trade	26	9743.28	8218.65
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	1080.27	(7741.49)
Employee benefits expense	28	41133.90	41880.11
Finance costs	29	1956.74	1260.89
Depreciation and amortisation expenses	30	11077.34	11629.94
Other expenses	31	78741.14	75610.67
TOTAL EXPENSES (II)		338638.18	325774.32
III Profit before share of profit / (loss) of equity accounted investees and tax (I-II)		11791.99	29293.7
IV Share of (loss) / profit of equity accounted investees (net of tax)	46	(119.19)	218.42
V Profit before tax (III+IV)		11672.80	29512.12
VI Tax expense:			
Current tax	34	2329.05	9055.68
Deferred tax	34	(366.59)	(587.73)
VII Profit for the year (V-VI)		9710.34	21044.17
VIII Other comprehensive income/ (loss)			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of defined benefit asset	36	468.51	60.50
Income-tax relating to above item	34	(130.38)	(21.34)
		338.13	39.16
(b) Equity investments through other comprehensive income - net change in fair value	7	(0.58)	2.59
Income-tax relating to above item	34	0.12	(0.59)
		(0.46)	2.00
Items that will be reclassified subsequently to profit or loss			
(a) Exchange difference in translating financial statements of foreign operations	16	2376.93	(797.12)
Other comprehensive income / (loss) for the year, net of tax		2714.60	(755.96)
IX Total comprehensive income for the year (VII + VIII)		12424.94	20288.21
X Profit attributable to:			
Owners of the Company		9710.34	21044.17
Non-controlling interests		-	-
Profit for the year		9710.34	21044.17
XI Other comprehensive income attributable to:			
Owners of the Company		2714.60	(755.96)
Non-controlling interests		-	-
Other comprehensive income / (loss) for the year		2714.60	(755.96)
XII Total comprehensive income attributable to:			
Owners of the Company		12424.94	20288.21
Non-controlling interests		-	-
Total comprehensive income for the year		12424.94	20288.21
XIII Earnings per equity share (Face value of INR 10 each)	37		
Basic (in INR)		129.09	280.54
Diluted (in INR)		129.06	278.72
Summary of significant 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

Vikash Somani

Partner

Membership No.: 061272

Place: Hyderabad

Date: 15 May 2023

CK Birla

Chairman

DIN: 00118473

Place: New Delhi

Akshat Seth

Managing Director and Chief Executive Officer

DIN: 10039820

Place: New Delhi

Saikat Mukhopadhyay

Chief Financial Officer

Place: New Delhi

Date: 15 May 2023

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 2023	For the year ended 31 March 2022
A Cash flows from operating activities		
Profit for the year (before tax)	11672.80	29512.12
<i>Adjustments for:</i>		
Depreciation and amortisation expense	11077.34	11629.94
Rental income from investment property	(497.63)	(483.61)
Provision for impairment of receivables, advances and other assets, net	167.07	(665.25)
Liabilities no longer required written back	(95.80)	(385.83)
Net loss / (gain) on sale of property, plant and equipment	183.12	(726.07)
Foreign exchange fluctuations, net	(10.92)	(67.05)
Share of profit of equity accounted investee	119.19	(218.42)
Financial assets measured at FVTPL-net change in fair value	(356.33)	(671.58)
Net gain on sale of investments	(79.56)	(34.16)
Employee share based payment expense / (reversal)	(106.08)	71.43
Finance costs	1956.74	1260.89
Interest income	(89.53)	(155.56)
Interest income on income tax refund	(504.70)	-
Government grant	(84.55)	(84.55)
Dividend income	(0.40)	(0.26)
Operating profit before changes in assets and liabilities	23350.76	38982.04
<i>Changes in assets and liabilities:</i>		
Decrease / (increase) in inventories	3283.26	(22951.31)
Increase in trade receivables	(1784.29)	(666.92)
(Increase) / decrease in other financial assets	(2999.99)	2848.85
(Increase) / decrease in other assets	(1893.34)	330.64
(Decrease) / increase in trade payables	(3118.56)	5326.16
(Decrease) / increase in other financial liabilities	(2458.67)	2635.91
Increase in provisions	41.38	263.79
Increase / (decrease) in other liabilities	653.84	(885.89)
Cash generated from operating activities	15074.39	25883.27
Income-tax paid (net of refund)	(1873.60)	(9255.88)
Net cash from operating activities (A)	13200.79	16627.39
B Cash flows from investing activities		
Acquisition of property, plant and equipment	(13254.99)	(9030.18)
Proceeds from sale of property, plant and equipment	39.78	919.33
Acquisition of business	(3628.50)	-
Proceeds from sale of mutual funds	29027.80	23192.64
Purchase of mutual funds	(28948.55)	(19999.00)
Interest received	141.42	154.81
Dividend received	0.40	0.26
Bank balances not considered as cash and cash equivalents	1043.24	(758.19)
Loans given	(2684.00)	-
Rent received from long-term investment in properties	497.63	483.61
Net cash used in investing activities (B)	(17765.77)	(5036.72)
C Cash flows from financing activities*		
Repayment of long-term borrowings	(5656.64)	(9393.87)
Receipts of long-term borrowings	6761.55	-
Receipts / (repayment) of short-term borrowings (net)	10624.93	(3059.81)
Finance costs	(1595.06)	(968.36)
Interest on lease liabilities	(101.62)	(96.56)
Repayment of lease liabilities	(1231.64)	(1168.86)
Proceeds from issue of share capital	292.01	132.43
Dividend paid on equity shares	(4884.28)	(3373.78)
Net cash from / (used in) financing activities (C)	4209.25	(17928.81)
Net decrease in cash and cash equivalents (A+B+C)	(355.73)	(6338.14)
Cash and cash equivalents at the beginning of the year	6213.88	12691.39
Effect of changes in foreign currency fluctuation on cash and cash equivalents	339.04	(139.37)
Cash and cash equivalents at the end of the year	6197.19	6213.88

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 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

Particulars	As at 01 April 2021	Cash flow changes	Non-cash changes	As at 31 March 2022
Long-term borrowings	32105.53	(9393.87)	186.79	22898.45
Short-term borrowings	8929.15	(3059.81)	-	5869.34
Lease liabilities	2052.40	(1265.42)	1715.25	2502.23

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 2023	As at 31 March 2022
Balances with banks:		
- On current accounts	6186.40	6203.29
Cash on hand	10.79	10.59
Cash and cash equivalents as per balance sheet	6197.19	6213.88

Summary of significant 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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 15 May 2023

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

Saikat Mukhopadhyay
Chief Financial Officer
Place: New Delhi
Date: 15 May 2023

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 2023	754.11	-	-	2.37	756.48
Balance as at 31 March 2022	751.97	-	-	2.14	754.11

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 2021	53389.16	941.86	42100.00	35.00	279.87	23.29	2005.59	98774.77
Total comprehensive income for the year ended 31 March 2022								
Profit for the year	21044.17	-	-	-	-	-	-	21044.17
Share based payment, net of reversal (refer note 43)	-	-	-	-	71.43	-	-	71.43
Other comprehensive income (net of tax)	39.16	-	-	-	-	2.00	(797.12)	(755.96)
Total comprehensive income	21083.33	-	-	-	71.43	2.00	(797.12)	20359.64
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-	-
Dividend	(3375.92)	-	-	-	-	-	-	(3375.92)
Share options exercised	-	250.64	-	-	(120.35)	-	-	130.29
Balance at 31 March 2022	70096.57	1192.50	43100.00	35.00	230.95	25.29	1208.47	115888.78
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 43)	-	-	-	-	(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	-	-	-	-	-
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

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 15 May 2023

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and Chief Executive Officer
DIN: 10039820
Place: New Delhi

Saikat Mukhopadhyay
Chief Financial Officer
Place: New Delhi
Date: 15 May 2023

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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, 2013 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:

Name of the Company	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. It includes the trading of Construction Chemicals consisting of Ready-mix Plasters, Primers, Block Joining Mortars and Tile Adhesives.

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.

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 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 and going concern basis except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

- b) The consolidated financial statements were authorised for issue by the Company's Board of Directors on 15 May 2023.
- 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 the

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

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 54 – leases: whether an arrangement contains a lease;
- Note 54 – 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.

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).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

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 43 – share based payment arrangements;
- Note 56 – financial instruments
- Note 33 – business acquisition.

F. Current/ Non-current classification

The Group classifies an asset as current asset when:

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period; or
- (d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within twelve months after the reporting period; or

- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

3 Significant 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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

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.

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).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

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.

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 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 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

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.
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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 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, 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.

The cost of a self-constructed item of property, plant and equipment comprises the cost of

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

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.

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 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

Other intangible assets including acquired by the Group in a business combination are initially measured at cost. Such intangible assets with definite lives, are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible asset with indefinite life, is not amortised and is tested for impairment annually.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure 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.

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.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

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 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.

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).

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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.

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. In case

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

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(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 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.

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- (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. 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

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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 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 do not 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 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.

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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 temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax is not recognised for taxable temporary 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.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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.

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.

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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 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 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) by the weighted average number of equity shares considered for deriving basic earnings per share and also 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 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.

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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 amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

The amendments requires entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general

purpose financial statements. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

(b) Ind AS 12- Income Taxes

The amendments clarify how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its consolidated financial statements.

c) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The Group develops accounting estimates if accounting policies require items in consolidated financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

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4. Property, Plant and Equipment

Particulars	Freehold land (refer note (a) below)	Leasehold land	Buildings	Railway sidings	Plant and machinery (refer note (b) below)	Furniture and fittings	Office equipments	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 2021	7033.16	75.43	34828.70	0.63	70986.90	736.44	2869.93	394.51	4436.76	121362.46	1078.50
Additions	-	-	1088.98	-	5634.21	45.05	654.97	32.49	2235.23	9690.93	8657.67
Disposals	-	-	(67.33)	-	(402.25)	(2.29)	(21.68)	(3.36)	(981.50)	(1478.41)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(7455.70)
Exchange differences on translation of foreign operations	(83.81)	-	(337.05)	-	(439.99)	-	(59.24)	(3.51)	(63.74)	(987.34)	(4.62)
As at 31 March 2022	6949.35	75.43	35513.30	0.63	75778.87	779.20	3443.98	420.13	5626.75	128587.64	2275.85
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 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	-	1041.22	2.00	6.00	1.00	-	2673.22	-
Reclassification to non-current assets held for sale (refer note 11)	(1.03)	-	(78.36)	-	-	-	-	-	-	(79.39)	-
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	30475.55
B. Accumulated depreciation / amortisation											
As at 01 April 2021	-	75.43	4511.10	0.51	22644.43	299.45	1439.80	209.41	1271.44	30451.57	-
For the year ended 31 March 2022	-	-	1398.18	-	7489.89	81.55	554.16	59.52	1257.17	10840.47	-
Disposals	-	-	(37.46)	-	(255.57)	(1.87)	(18.79)	(2.91)	(777.22)	(1093.82)	-
Exchange differences on translation of foreign operations	-	-	(51.74)	-	(239.73)	-	(33.87)	(3.12)	(31.55)	(360.01)	-
As at 31 March 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 from non-current assets held for sale (refer note 11)	-	-	-	-	13.20	-	-	-	-	13.20	-
Reclassification to non-current assets held for sale (refer note 11)	-	-	(42.97)	-	-	-	-	-	-	(42.97)	-
As at 31 March 2023	-	75.43	7375.02	0.51	35922.83	461.01	2534.91	325.99	1700.72	48396.42	-
C. Net carrying amounts (A-B)											
As at 31 March 2022	6949.35	-	29693.22	0.12	46139.85	400.07	1502.68	157.23	3906.91	88749.43	2275.85
As at 31 March 2023	8179.00	-	31436.26	0.12	50309.06	351.45	1349.65	143.94	3841.02	95610.50	30475.55

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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 2023 and as at 31 March 2022	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 49 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 current and previous financial year.
- e) Right of use assets comprise of the following assets:

Particulars	Buildings	Land	Vehicles	Plant and machinery	Office equipments	Total
A. Cost or Deemed cost (Gross carrying amount)						
As at 01 April 2021	937.70	1096.10	1116.57	1192.29	94.10	4436.76
Additions	1093.33	802.08	235.06	104.76	-	2235.23
Disposals	(635.57)	(92.19)	(197.66)	(56.08)	-	(981.50)
Exchange differences on translation of foreign operations	(18.51)	-	(20.21)	(23.29)	(1.73)	(63.74)
As at 31 March 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
B. Accumulated amortisation						
As at 01 April 2021	417.08	99.86	467.39	266.21	20.90	1271.44
For the year ended 31 March 2022	614.09	54.33	268.19	288.88	31.68	1257.17
Disposals	(435.92)	(92.19)	(193.04)	(56.07)	-	(777.22)
Exchange differences on translation of foreign operations	(9.44)	-	(9.35)	(11.49)	(1.27)	(31.55)
As at 31 March 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
C. Net carrying amounts (A-B)						
As at 31 March 2022	791.14	1743.99	600.57	730.15	41.06	3906.91
As at 31 March 2023	844.03	1724.51	543.66	717.93	10.89	3841.02

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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	2840.89	178.24	28.42	-	3047.55
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023	2840.89	178.24	28.42	-	3047.55
Projects in progress	2073.43	135.30	67.12	-	2275.85
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022	2073.43	135.30	67.12	-	2275.85

*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	
Thimmapur Panel plant automation	201.26	-	-	-	201.26
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
Wall Putty plant capacity enhancement	45.42	-	-	-	45.42
Others	29.67	-	-	-	29.67
As at 31 March 2022	75.09	-	-	-	75.09

No projects have been temporarily suspended as at 31 March 2023 and 31 March 2022.

5. Investment Property

A. Reconciliation of carrying amount

Particulars	As at 31 March 2023	As at 31 March 2022
Cost or Deemed cost (Gross carrying amount)		
Opening balance	2204.89	2212.00
Disposals	-	(7.11)
Closing balance	2204.89	2204.89
Accumulated depreciation		
Opening balance	232.80	202.43
Depreciation for the year	30.37	30.37
Closing balance	263.17	232.80
Net carrying amounts	1941.72	1972.09
Fair value	7594.50	7639.97

B. Amounts recognised in profit or loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Rental income derived from investment properties (refer note 24)	497.63	483.61
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	497.63	483.61
Less: Depreciation	30.37	30.37
Profit arising from investment properties before indirect expenses	467.26	453.24

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for the year ended 31 March 2023 (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 2022: 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 and building as at 31 March 2023 and 31 March 2022	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. Although there are sub-lease rights given to the lessees, there are no sub-leases as on the reporting date.

E. Refer note 47 for details of minimum lease receipts.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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					Total	Intangible assets under development (refer note (a) below)
		Softwares	Brand	Non-compete	Patents	Service concession arrangements		
Reconciliation of carrying amount								
Cost or Deemed cost (Gross carrying amount)								
Balance at 01 April 2021	12934.43	2057.83	6343.93	-	1628.85	1997.94	12028.55	315.94
Additions	-	837.14	-	-	-	-	837.14	863.29
Disposals	-	(84.27)	-	-	-	-	(84.27)	-
Transfers to Intangible assets	-	-	-	-	-	-	-	(837.14)
Exchange differences on translation of foreign operations	(237.65)	(28.31)	(116.56)	-	(29.93)	-	(174.80)	(115)
Balance at 31 March 2022	12696.78	2782.39	6227.37	-	1598.92	1997.94	12606.62	340.94
Additions	-	552.52	-	-	-	-	552.52	416.29
Disposals	-	(71.64)	-	-	-	-	(71.64)	-
Transfers to Intangible assets	-	-	-	-	-	-	-	(552.52)
Acquisitions through business combination (refer note 33)	747.25	-	157.76	27.35	-	-	185.11	-
Exchange differences on translation of foreign operations	801.61	89.52	393.16	-	100.95	-	583.63	35.39
Balance at 31 March 2023	14245.64	3352.79	6778.29	27.35	1699.87	1997.94	13856.24	240.10
Accumulated amortisation								
Balance at 01 April 2021	-	1197.80	-	-	601.12	464.23	2263.15	-
Amortisation for the year	-	436.38	-	-	235.08	87.64	759.10	-
Disposals	-	(82.91)	-	-	-	-	(82.91)	-
Exchange differences on translation of foreign operations	-	(16.38)	-	-	(17.72)	-	(34.10)	-
Balance at 31 March 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	-
Balance at 31 March 2023	-	2128.85	19.62	3.40	1112.96	639.51	3904.34	-
Net carrying amounts								
As at 31 March 2022	12696.78	1247.50	6227.37	-	780.44	1446.07	9701.38	340.94
As at 31 March 2023	14245.64	1223.94	6758.67	23.95	586.91	1358.43	9951.90	240.10

Notes:

(a) Ageing details of intangible assets under development (IAUD) is as below*

Particulars	For intangible assets under development				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
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
Projects in progress	225.62	115.32	-	-	340.94
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022	225.62	115.32	-	-	340.94

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

6. Goodwill and Other Intangible Assets (Contd.)

*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:

Particulars	IAUD to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	139.36	-	-	-	139.36
As at 31 March 2023	139.36	-	-	-	139.36
Planning and budgeting tool	84.73	-	-	-	84.73
Others	30.98	-	-	-	30.98
As at 31 March 2022	115.71	-	-	-	115.71

No projects have been temporarily suspended as at 31 March 2023 and 31 March 2022.

(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 has been allocated to CGU "Flooring Solutions" segment of the Group. The carrying amount of goodwill as at 31 March 2023 is INR 13498.39 lacs (31 March 2022: INR 12696.78 lacs) and brand (with indefinite life) as at 31 March 2023 is INR 6620.53 lacs (31 March 2022: INR 6227.37 lacs).

The goodwill acquired through business combination during the 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 2023 is INR 747.25 lacs.

Following key assumptions were considered while performing impairment testing:

Particulars	CGU	
	Flooring Solutions	Cuttack Unit
Annual growth rate for 5 years (Average)	10.45%	15.00%
Terminal value growth rate	0.50%	3.00%
Budgeted EBITDA growth rate	54.43%	11.60% to 16.01%
Weighted average cost of capital % (WACC) post tax	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) = $(W_e * R_e) + (W_d * R_d)$

R_e = Risk free return + (market premium x beta for the Company) + additional risk premium.

R_d = Cost of debt *(1-tax rate)

W_e, W_d = 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 FY 2022-2023.

(c) The Group has not revalued any intangible assets after initial recognition, during the current and previous financial year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

7 Investments

Particulars	As at 31 March 2023	As at 31 March 2022
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 (31 March 2022 : 5000 equity shares of INR 10 each fully paid)	33.66	34.24
VR- Bank Westmünsterland eG - One share of Euro 450 each (31 March 2022 : One share of Euro 450 each)	0.40	0.38
	34.06	34.62
Aggregate amount of unquoted non-current investments	34.06	34.62

(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 2023	As at 31 March 2022
Fair value at beginning of the year	34.24	31.65
Dividend income recognised during the respective year (refer note 24)	0.38	0.25
Fair value at end of the year	33.66	34.24

No strategic investments were disposed off during the financial year 2022-23 and 2021-22, 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 current and previous year.

8 Trade Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Secured	20.80	-
Unsecured	510.04	436.39
	530.84	436.39
Less: Provision for impairment	(510.04)	(436.39)
	20.80	-
Current		
Secured	1421.61	1219.30
Unsecured (refer note 40 for receivables from related parties)	12548.67	10775.53
	13970.28	11994.83
Less: Provision for impairment	(1136.14)	(1013.46)
	12834.14	10981.37

Refer note 17 for details of trade receivables pledged against borrowings.

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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	
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

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	4723.91	6177.23	8.55	67.57	2.57	1.54	10981.37
- credit impaired	-	143.58	56.17	94.66	622.50	96.55	1013.46
Total undisputed trade receivables (A)	4723.91	6320.81	64.72	162.23	625.07	98.09	11994.83
Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	0.02	93.85	32.54	309.98	436.39
Total disputed trade receivables (B)	-	-	0.02	93.85	32.54	309.98	436.39
As at 31 March 2022 (A+B)	4723.91	6320.81	64.74	256.08	657.61	408.07	12431.22

There were no unbilled receivables as at 31 March 2023 and as at 31 March 2022.

9 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
	2684.00	-
	2684.00	-

10 Other Financial Assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Security deposits	1383.24	1168.52
Bank deposits due to mature after 12 months from the reporting date *	6.79	6.79
Derivative assets	793.92	1545.34
	2183.95	2720.65
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)
	2183.95	2720.65

* It includes bank deposits held against bank guarantees amounting to INR 6.79 lacs (31 March 2022: INR 6.79 lacs).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

10 Other Financial Assets (Contd.)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Unsecured, considered good		
Interest accrued on fixed deposits and security deposits	50.20	102.09
Derivative assets	1292.36	12.26
Contract assets	8.50	23.53
Other receivables	7376.34	4749.45
	8727.40	4887.33
Doubtful		
Dividend receivable	9.01	9.01
Less: Allowance for doubtful receivables (refer note 40)	(9.01)	(9.01)
	-	-
	8727.40	4887.33

11 Other Assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Capital advances	259.63	325.42
Advances other than capital advances		
Balance with government authorities	891.09	586.93
Prepayments	59.50	42.15
	1210.22	954.50
Doubtful		
Advances other than capital advances		
Advance to suppliers and service providers	160.72	160.55
	160.72	160.55
Less: Allowance for doubtful advances	(160.72)	(160.55)
	-	-
	1210.22	954.50
Current		
Unsecured, considered good		
Advances other than capital advances		
Advance to suppliers and service providers	5903.40	3526.97
Advance to employees	103.51	106.29
Balance with government authorities	1233.29	2076.89
Prepayments	638.73	562.94
Others		
Non-current assets held for sale*	54.11	17.82
	7933.04	6290.91

* During the current year, certain non-factory land and buildings 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.

12 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
(Valued at lower of cost and net realisable value)		
Raw materials	29069.25	35614.43
Work-in-progress	5373.41	4776.36
Finished goods	26735.35	27929.89
Stock-in-trade	888.89	756.18
Stores and spares	1487.39	1311.78
	63554.29	70388.64

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

12. Inventories (Contd.)

Particulars	As at 31 March 2023	As at 31 March 2022
Inventories in transit		
Raw materials	4487.08	1167.19
Finished goods	372.19	40.90
Stores and spares	-	15.55
	4859.27	1223.64
	68413.56	71612.28

The write down of inventories to net realisable value during the year amounted to INR 285.87 lacs (31 March 2022: INR 378.94 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 2023	As at 31 March 2022
Cash on hand	10.79	10.59
Balances with banks		
- on current accounts	6186.40	6203.29
	6197.19	6213.88

14 Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Unpaid dividend accounts	85.31	81.26
Deposits with banks with original maturity of more than 3 months but remaining maturity of less than 12 months*	1.00	1048.29
	86.31	1129.55

* It includes bank deposits held against bank guarantees amounting to NIL (31 March 2022: INR 45.47 lacs).

15 Share Capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
9500000 (31 March 2022: 9500000) equity shares of INR 10 each	950.00	950.00
50000 (31 March 2022: 50000) preference shares of INR 100 each	50.00	50.00
	1000.00	1000.00
Issued, subscribed and fully paid-up capital		
7537563 (31 March 2022: 7513903) equity shares of INR 10 each fully paid-up	753.76	751.39
Forfeited shares (amount originally paid-up)	2.72	2.72
	756.48	754.11

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2023		31 March 2022	
	Number of shares	Amount INR In Lacs	Number of shares	Amount INR In Lacs
Shares outstanding at the beginning of the year	7513903	751.39	7492543	749.25
Shares issued on exercise of Employee Stock Option Scheme (refer note 43)	23660	2.37	21360	2.14
Shares outstanding at the end of the year	7537563	753.76	7513903	751.39

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

15 Share Capital (Contd.)

(ii) Terms and rights attached to the equity shares

The Company has only one class of equity shares having a face value of INR 10 each. 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 2023		31 March 2022	
	Number of shares	% of Holding	Number of shares	% of Holding
Central India Industries Limited	1074634	14.26	1074634	14.30
Orient Paper and Industries Limited	906360	12.02	906360	12.06

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 43.

(v) Equity shares of INR 10 each, held by promoters at the end of the year

S. No.	Name of the promoter	31 March 2023			31 March 2022		
		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	4.10%	-	308763	4.11%	-
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	12.06%	-
6	Universal Trading Company Limited	4000	0.05%	-	4000	0.05%	-
7	Central India Industries Limited	1074634	14.26%	-	1074634	14.30%	-
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	4.22%	-	317743	4.23%	-
11	Shekhavati Investments and Traders Limited	224470	2.98%	-	224470	2.99%	-
		3059212	40.59%	-	3059212	40.70%	-

16 Other Equity

(A) Reserves and surplus

(i) Securities premium

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the commencement of the year	1192.50	941.86
Add: Additions during the year	400.93	250.64
	1593.43	1192.50

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

16 Other Equity (Contd.)

(A) Reserves and surplus (Contd.)

(ii) General reserve

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the commencement of the year	43100.00	42100.00
Add: Amount transferred from surplus balance in the consolidated statement of profit and loss	1000.00	1000.00
	44100.00	43100.00

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 2023	As at 31 March 2022
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 2023	As at 31 March 2022
Balance at the commencement of the year	230.95	279.87
Less: Shares exercised during the period	(111.29)	(120.35)
Add: Share based payment expenses (refer note 28)	(106.08)	71.43
	13.58	230.95

The Company has formulated equity-settled share-based payment plans for certain categories of employees of the Company. Refer note 43 for further details on these plans.

(v) Retained earnings

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the commencement of the year	70096.57	53389.16
Add: Profit for the year	9710.34	21044.17
<i>Items of other comprehensive income directly recognised in retained earnings</i>		
- Remeasurement of post employment benefit obligations, net of tax	338.13	39.16
Amount available for appropriations	80145.04	74472.49
Less : Appropriations		
Interim dividend on equity shares (amount per share INR 20.00 (31 March 2022: INR 20.00))	(1507.07)	(1502.78)
Transferred to general reserve	(1000.00)	(1000.00)
Final dividend on equity shares (amount per share INR 45.00 (31 March 2022: INR 25.00))	(3381.26)	(1873.14)
Total appropriations	(5888.33)	(4375.92)
	74256.71	70096.57
Total reserves and surplus (A)	119998.72	114655.02

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

16 Other Equity (Contd.)

(B) Other comprehensive income ("OCI")

Particulars	As at 31 March 2023	As at 31 March 2022
Equity investments through OCI		
Balance at the commencement of the year	25.29	23.29
Changes in fair value	(0.46)	2.00
	24.83	25.29
Exchange differences on translation of foreign operations		
Balance at the commencement of the year	1208.47	2005.59
Add: Movement during the year	2376.93	(797.12)
	3585.40	1208.47
Total other comprehensive income (B)	3610.23	1233.76
Total (A+B)	123608.95	115888.78

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 2023	As at 31 March 2022
Dividend on equity shares (amount per equity share INR 25.00 (31 March 2022: INR 45.00))	1884.39	3381.26

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. Dividends paid during the year ended 31 March 2022 include an amount of INR 25.00 per equity share towards final dividend for the year ended 31 March 2021 and an amount of INR 20.00 per equity share towards interim dividends for the year ended 31 March 2022.

The Board of Directors of the Company have recommended a final dividend of INR 25.00 per share (250%) on 15 May 2023 for the financial year ended 31 March 2023. This, together with an interim dividend of INR 20.00 per share (200%) declared during the year, the total dividend for the financial year ended 31 March 2023 works out to INR 45.00 per share (450%) on equity shares of INR 10 each.

17 Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current borrowings		
Secured		
Term loan from banks (refer note (a) and (i) below)	19190.68	15237.92
Term loan from others		
- Interest free sales tax loan from a financial institution (refer note (b) below)	1187.80	1092.45
Unsecured		
Deferred payment liabilities		
- Deferred sales tax loan (refer note (c) below)	-	4.98
	20378.48	16335.35
Current borrowings		
Secured		
From bank		
- Working capital loan (refer note (e) below)	5994.27	3366.15
- Interest accrued but not due on long term borrowings (refer note (k) below)	71.65	-
- Current maturities of long-term debt (refer note (a) below)	3775.08	3546.02
Term loan from others		
- Current maturities of interest free sales tax loan from a financial institution (refer note (b) below)	-	2884.82
	9841.00	9796.99

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

17 Borrowings (Contd.)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
Loans repayable on demand		
From banks		
- Working capital loan (refer note (d) below)*	10520.54	2503.19
Deferred payment liabilities		
- Current maturities of deferred sales tax loan (refer note (c) below)	4.98	132.26
	10525.52	2635.45
	20366.52	12432.44
Total Borrowings	40745.00	28767.79

* Includes an amount of INR 20.54 lacs for year ended 31 March 2023 (31 March 2022: NIL), towards the interest accrued but not due on working capital loan.

- (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 (excluding receivables which will be sold to Factoring but including pledge over the excess receivables of Factoring). As on 31 March 2020, deed of mortgages are already executed.
- (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). As on 31 March 2020, deed of mortgages are already executed.
- (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% p.a. during the year. The loan is secured by way of guarantee of particular fixed assets for which loan was taken.
- (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.
- (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). As on 31 March 2020, deed of mortgages are already executed.
- (vi) As at 31 March 2023, 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 38.77 lacs of HIL International GmbH, Germany;
 - loan amount of Euro 49.23 lacs of Parador GmbH, Germany

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

17 Borrowings (Contd.)

- (b) Represents interest free sales tax loan taken from a financial institution, 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 machinery 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 is interest free and repayable on yearly basis having last instalment due in financial year 2023-24.
- (d) During the year ended 31 March 2023, the Company availed working capital loans from four banks (INR 5000.00 lacs from Kotak Mahindra Bank Limited, INR 7000.00 lacs from The Federal Bank Limited, INR 10500.00 lacs from HDFC Bank Limited and INR 3000.00 lacs from ICICI Bank Limited), out of which an amount of INR 3500.00 lacs from The Federal Bank Limited, INR 4000.00 lacs from HDFC Bank Limited and INR 3000.00 lacs from ICICI Bank Limited are outstanding as at 31 March 2023. 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 5.75% p.a. to 7.95% p.a. during the year (31 March 2022: 4.00% p.a. to 4.25% p.a).
- (e) 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.
- (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.
- (h) The Group has not availed any specific borrowings during the year.
- (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 0.80 lacs.
- (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. Quarterly returns or statements of current assets filed by the Company to SBI are in agreement with the books of account.
- (k) The covenants as on 31 March 2023 attached to the loans taken from Raiffeisenlandesbank Niederoesterreich-Wien AG have been suspended vide an amendment agreement. Subsequent to the year end, the revised covenants shall be reviewed by the Bank for the period ending 30 September 2023.

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

18 Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Lease liabilities (refer note 54)	1283.48	1463.40
	1283.48	1463.40
Current		
Lease liabilities (refer note 54)	1165.85	1038.83
	1165.85	1038.83

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

19 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 41)	2203.00	1537.12
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 40 for payables to related parties)	31654.77	35384.19
	33857.77	36921.31

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			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

Particulars	Unbilled dues	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1365.50	157.11	5.16	-	-	1527.77
(ii) Others	8615.27	20848.96	5562.49	142.94	20.45	118.54	35308.65
(iii) Disputed dues - MSME	-	-	-	9.35	-	-	9.35
(iv) Disputed dues - Others	-	-	-	-	-	75.54	75.54
As at 31 March 2022	8615.27	22214.46	5719.60	157.45	20.45	194.08	36921.31

20 Other Financial Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Liabilities on business acquisition (refer note 33)	19.27	-
	19.27	-
Current		
Capital creditors (refer note 41)	1149.78	655.32
Unpaid dividend*	85.31	81.26
Sundry deposits	4527.22	4335.68
Derivative liabilities	7.27	32.67
Contract liability against performance obligation	1295.53	1393.10
Contract liability against payment	2963.82	5416.13
Liabilities on business acquisition (refer note 33)	46.81	-
Other financial liabilities	4046.02	4233.71
	14121.76	16147.87

* 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

21 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Provision for employee benefits		
- Gratuity (refer note 36)	316.12	324.25
- Pension and other post-retirement benefits (refer note 36)	1943.93	2271.94
- Other long-term employee benefit plans	340.57	529.07
- Compensated absences	676.88	687.24
	3277.50	3812.50
Current		
Provision for employee benefits		
- Pension (refer note 36)	172.88	137.78
- Compensated absences	851.54	822.95
- Other long-term employee benefit plans	175.85	711.28
- Employee related other costs (refer note 42)	657.58	114.68
Other provisions		
- Provision for litigations (refer note 42)	307.25	307.25
- Provision for warranties (refer note 42)	984.13	925.69
- Provision - others (refer note 42)	390.00	390.00
	3539.23	3409.63

22 Other Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Government grant	28.18	112.73
	28.18	112.73
Current		
Statutory liabilities	1909.18	1223.72
Government grant	84.55	84.55
Other liabilities	1703.72	1735.34
	3697.45	3043.61

23 Revenue from Operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contracts with customers		
- Sale of products		
Finished goods	330670.92	336487.06
Traded goods	15521.33	13658.47
- Sale of services		
Service concession arrangements (refer note 45)	225.48	216.40
Other operating revenues		
- Scrap sales	1382.36	1275.75
- Liabilities no longer required, written back	95.80	385.83
	347895.89	352023.51

Disaggregation of revenue

Particulars	Reportable segments FY 2022-23				
	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	-	0.22
	111546.16	50985.90	52617.10	132402.03	344.70

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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 FY 2022-23				
	Roofing Solutions	Building Solutions	Polymer Solutions	Flooring Solutions	Others
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
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

Particulars	Reportable segments FY 2021-22				
	Roofing Solutions	Building Solutions	Polymer Solutions	Flooring Solutions	Others
By sources of revenue					
Revenue from contracts with customers	104061.69	39879.17	52014.35	154903.53	540.86
Other operating revenues	389.87	119.51	96.44	-	18.09
	104451.56	39998.68	52110.79	154903.53	558.95
By geographical markets					
- India	103809.95	39093.38	51504.40	228.49	512.35
- Others	641.61	905.30	606.39	154675.04	46.60
	104451.56	39998.68	52110.79	154903.53	558.95
By major product lines					
- Cement based products: sheets, panels, boards	104451.56	14855.32	-	-	-
- Pipes and Fittings	-	-	32121.62	-	-
- Putty and dry mix	-	531.87	19989.17	-	-
- Fly ash blocks	-	24603.00	-	-	-
- Wooden Flooring	-	-	-	154903.53	-
- Others	-	8.49	-	-	558.95
	104451.56	39998.68	52110.79	154903.53	558.95

Reconciliation of revenue recognised with contract prices

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue as per contracted price	364832.88	367628.60
Less: Discounts	18415.15	17266.67
	346417.73	350361.93

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 2023	For the year ended 31 March 2022
Trade receivables	14501.12	12431.22
Contract liabilities	4259.35	6809.23

- Trade receivables are the amounts receivable by the Group from the Revenues from Contracts with customers and other operating revenues.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

23 Revenue from Operations (Contd.)

- 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 6809.23 lacs included in contract liabilities at 31 March 2022 have been recognised as revenue during the year ended 31 March 2023 (31 March 2022: INR 5255.93 lacs).

24 Other Income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Dividend income on equity securities - at FVOCI- investment held at reporting date (refer note 7)	0.38	0.25
Dividend income on current investments - at FVTPL	0.02	0.01
Gain on sale of current investments, net	79.56	34.16
Interest income under the effective interest method on financial assets at amortised cost	89.53	155.56
Interest on income-tax refund (refer note 34)	504.70	-
Rental income		
From investment property (refer note 5)	497.63	483.61
From others	14.20	18.91
Net gain on sale of property, plant and equipment	-	726.07
Net gain on foreign currency transactions	570.00	67.05
Fair value gain on financial assets measured at fair value through profit and loss, net	356.33	671.58
Government grants	84.55	84.55
Miscellaneous income	337.38	802.76
	2534.28	3044.51

25 Cost of Materials Consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory of materials at the beginning of the year	36781.62	21576.80
Add: Acquisitions through business combination (refer note 33)	34.18	-
Add: Purchases during the year	190736.96	210576.10
Less: Inventory of materials at the end of the year	33556.33	36781.62
Adjustment for fluctuation in exchange rates	909.08	(455.73)
	194905.51	194915.55

26 Purchases of Stock-in-Trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchases of stock-in-trade	9743.28	8218.65

27 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the beginning of the year		
Finished goods	27970.79	21756.99
Stock-in-trade	756.18	650.09
Work-in-progress	4776.36	3709.21
	33503.33	26116.29
Inventories at the end 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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

27 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (Contd.)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Changes in inventories	133.49	(7387.04)
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	928.53	(354.45)
	1080.27	(7741.49)

28 Employee Benefits Expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	34182.72	35053.00
Contribution to provident and other funds (refer note 36)	5595.73	5526.77
Employee share based payment expense - equity settled (refer note 43)	(106.08)	71.43
Gratuity, pension and other post-retirement benefits expenses (refer note 36)	357.77	313.37
Staff welfare expenses	1103.76	915.54
	41133.90	41880.11

29 Finance Costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expenses on long-term loans measured at amortised cost	700.22	489.17
Interest expenses on working capital loans measured at amortised cost	424.83	115.90
Interest expenses on other financial liabilities measured at amortised cost	98.46	87.86
Interest expenses on lease liabilities	101.62	96.56
Interest expenses on income-tax	9.58	13.74
Interest expenses on others	622.03	457.66
	1956.74	1260.89

30 Depreciation and Amortisation Expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4)	8831.01	9583.30
Amortisation of intangible assets (refer note 6)	902.45	759.10
Depreciation on investment property (refer note 5)	30.37	30.37
Depreciation on right of use assets (refer note 4)	1313.51	1257.17
	11077.34	11629.94

31 Other Expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spares	4881.76	4427.14
Power and fuel	12397.18	10750.34
Contract wages	7054.67	6971.07
Repairs and maintenance		
Plant and machinery (excluding stores and spares consumption)	3579.95	3323.63
Buildings	418.57	555.42
Others	2254.35	1713.02
Carriage outwards	27353.96	27458.34
Packing expenses	1074.84	775.82
Rent (refer note 54)	1202.33	1413.14
Rates and taxes	467.92	465.95

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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 2023	For the year ended 31 March 2022
Insurance	776.15	716.07
Professional, consultancy and legal expenses	3573.79	3343.25
Advertisement and sales promotion	5338.62	6125.32
Travelling and conveyance	3015.34	1713.38
Commission on sales	775.10	1098.40
Directors' commission	120.00	120.00
Directors' fee	58.00	63.75
Donations	103.72	104.24
Royalty	653.47	1118.23
Net loss on sale of property, plant and equipment	183.12	-
Provision for impairment of receivables, advances and other assets, net	167.07	(665.25)
Bad debts written off	22.04	650.49
Expenditure on corporate social responsibility (refer note 32)	343.03	291.15
Miscellaneous	2926.16	3077.77
	78741.14	75610.67

32 Details of Corporate Social Responsibility Expenditure

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Gross amount required to be spent by the Company during the year	342.64	290.10
b) Amount spent during the year (in cash) :		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	343.03	291.15
iii) Nature of CSR activities		
Eradicating hunger, poverty and malnutrition	40.45	72.00
Promoting education	77.68	204.26
Promoting gender equality	22.10	2.00
Environmental initiatives	95.00	7.89
Protection of national heritage, art and culture	103.20	-
Disaster management	-	5.00
Rural Development	4.60	-
c) Related party transactions	-	-
d) Shortfall at the end of the year	-	-
e) Movements in provision of liability created	-	-

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

	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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

33 Business Acquisition (Contd.)

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. 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	<i>Market comparison technique and cost technique:</i> 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	<i>Relief-from-royalty method and with-without method:</i> 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	<i>Market comparison technique:</i> 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 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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 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 2023	For the year ended 31 March 2022
Current tax	3235.66	8710.42
Income-tax for earlier years	(906.61)	345.26
Deferred tax attributable to temporary differences	(366.59)	(587.73)
Tax expenses	1962.46	8467.95

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 received interest on income-tax refund amounting to INR 504.70 lacs against the refund received during the current year.

(B) Amount recognised in other comprehensive income ("OCI")

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax related to items recognised in OCI		
Deferred tax (expense) / income on remeasurements of defined benefit plans	(130.38)	(21.34)
Deferred tax income / (expense) on fair value gain on investments in equity instruments through OCI	0.12	(0.59)
Deferred tax (expense) / income recognised in OCI	(130.26)	(21.93)

(C) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	11791.99	29293.70
Enacted tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	2967.81	7372.64
Tax effect of:		
Differences in tax rates in foreign jurisdictions	(186.85)	273.13
Non-deductible tax expenses	123.01	132.69
Rate difference	0.20	(18.25)
Recognition of tax allowances	(35.10)	(37.02)
Change in estimate relating to earlier year	-	377.24
Others	-	22.26
	2869.07	8122.69
Adjustments in respect of income-tax for earlier years	(906.61)	345.26
Income-tax recognised in the consolidated statement of profit and loss	1962.46	8467.95

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

Particulars	31 March 2023	31 March 2022
Deferred tax liabilities		
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	13329.16	13077.84
Fair value gain on derivatives	217.43	181.72
Others	250.86	345.62
Total deferred tax liabilities (A)	13797.45	13605.18
Deferred tax assets		
Allowable for tax purposes on payment basis	1609.41	2259.57
Provision for doubtful trade receivables	536.72	495.58
Voluntary early retirement scheme	0.72	4.21
Carry forward losses	679.95	-
Others	825.85	1047.24
Total deferred tax assets (B)	3652.65	3806.60
Net deferred tax liability (A-B)	10144.80	9798.58

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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 2021	Recognised in profit or loss during 2021-22	Recognised in OCI during 2021-22	Recognised in share of profit of equity accounted investees	Foreign currency translation impact	Balance as at 31 March 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
Deferred tax liabilities												
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	13225.99	(9.12)	-	-	(139.03)	13077.84	(416.24)	-	-	217.28	450.28	13329.16
Fair valuation gain in derivatives	181.73	(0.01)	-	-	-	181.72	33.40	-	-	-	2.31	217.43
Others	239.84	112.48	0.59	-	(7.29)	345.62	(108.05)	(0.12)	-	-	13.41	250.86
Total deferred tax liabilities (A)	13647.56	103.35	0.59	-	(146.32)	13605.18	(490.89)	(0.12)	-	217.28	466.00	13797.45
Deferred tax assets												
Allowable for tax purposes on payment basis	1565.27	736.14	(35.18)	-	(6.66)	2259.57	(560.04)	-	-	-	(90.12)	1609.41
Provision for doubtful trade receivables	623.02	(127.44)	-	-	-	495.58	41.14	-	-	-	-	536.72
Voluntary early retirement scheme	16.47	(12.31)	-	-	0.05	4.21	(3.51)	-	-	-	0.02	0.72
Others	959.70	86.94	13.84	7.75	(20.99)	1047.24	(224.61)	(130.38)	(13.25)	-	146.85	825.85
Carry forward losses	-	-	-	-	-	-	635.98	-	-	-	43.97	679.95
Total deferred tax assets (B)	3164.46	683.33	(21.34)	7.75	(27.60)	3806.60	(111.04)	(130.38)	(13.25)	-	100.72	3652.65
Net deferred tax (asset) / liability (A-B)	10483.10	(579.98)	21.93	(7.75)	(118.72)	9798.58	(379.85)	130.26	13.25	217.28	365.28	10144.80

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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, Plasters, Primers and Block joining mortars
Building Solutions	Manufacturing and distributing Fly Ash Blocks, Boards, Aerocon Panels and Dry-mix
Polymer Solutions	Manufacturing and distributing Pipes & Fittings and Wall Putty
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 2023	31 March 2022
1 Segment revenue		
(Revenue / Income from segments)		
(a) Roofing solutions	111546.16	104451.56
(b) Building solutions	50985.90	39998.68
(c) Polymer solutions	52617.10	52110.79
(d) Flooring solutions	132402.03	154903.53
(e) Others	675.14	874.13
Total	348226.33	352338.69
Less: Inter segment revenue	330.44	315.18
Revenue / Income from operations	347895.89	352023.51
2 Segment results		
Profit before tax from segments		
(a) Roofing solutions	16408.28	22512.88
(b) Building solutions	4598.16	2889.73
(c) Polymer solutions	79.76	3473.69
(d) Flooring solutions	(4017.79)	5251.90
(e) Others	598.11	521.70
Total	17666.52	34649.90
Less:		
i) Interest	386.80	182.65
ii) Other un-allocable expenditure net-off un-allocable income	5606.92	4955.13
Total profit before tax	11672.80	29512.12

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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 2023	31 March 2022
3 Segment assets		
(a) Roofing solutions	49262.13	41324.31
(b) Building solutions	39901.44	26835.68
(c) Polymer solutions	28178.36	31804.57
(d) Flooring solutions	105896.71	104816.01
(e) Others	3178.98	3989.88
(f) Unallocated	10020.94	13539.17
Total assets	236438.56	222309.62
4 Segment liabilities		
(a) Roofing solutions	19574.32	18539.94
(b) Building solutions	10152.42	7463.06
(c) Polymer Solutions	7840.08	9525.03
(d) Flooring Solutions	55904.20	55367.63
(e) Others	268.98	294.46
(f) Unallocated	18333.13	14476.61
Total liabilities	112073.13	105666.73

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 2023	For the year ended 31 March 2022
India	213877.22	195148.56
Europe and other countries	134018.67	156874.95
	347895.89	352023.51

(ii) Carrying amount of non-current assets (excluding derivative assets)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	73258.98	64543.51
Europe and other countries	57832.30	55105.45
	131091.28	119648.96

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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 2023	31 March 2022
Contribution to provident fund	5331.49	5271.72
Contribution to employees state insurance schemes	243.68	229.80
Contribution to superannuation fund	20.56	25.25
	5595.73	5526.77

(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 managed by a trust is a defined benefit gratuity plan which 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 2023 (31 March 2022: 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 2023	31 March 2022
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	2277.35	2021.22
Current service cost	245.04	233.88
Interest cost	157.02	135.32

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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 2023	31 March 2022
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	(28.90)
- change in financial assumptions	(92.10)	26.52
- experience variance (i.e. actual experience vs assumptions)	0.10	36.24
Benefits paid	(187.75)	(146.93)
Changes due to business acquisition	21.73	-
Balance at the end of the year	2421.39	2277.35
<i>Reconciliation of the present value of plan assets</i>		
Balance at the beginning of the year	1953.10	1871.50
Interest income	134.67	125.29
Contributions paid into the plan	0.34	0.04
Benefits paid	(9.36)	(22.59)
Return on plan assets, excluding amount recognised in net interest expense	26.52	(21.14)
Balance at the end of the year	2105.27	1953.10
Net defined benefit liability recognised in consolidated balance sheet	316.12	324.25
<i>Expense recognised in consolidated statement of profit and loss</i>		
Current service cost	245.04	233.88
Net Interest cost on the net defined benefit liability	22.35	10.02
	267.39	243.90
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial loss / (gain) on defined benefit obligation	(92.00)	33.86
Return on plan assets, excluding amount recognised in net interest expense	(26.52)	21.14
	(118.52)	55.00

Plan assets

Plan assets comprises of the following:

	31 March 2023	31 March 2022
Fund managed by LIC	100%	100%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2023	31 March 2022
Discount rate	7.45%	6.90%
Future salary growth	8.00%	11.00% for the next year and 8.00% thereafter
Attrition rate	7.00%	7.00%
Mortality rate (as a % of Indian Assured Lives Mortality 2012-14 (IALM) for FY 2022-23 and FY 2021-22)	100%	100%

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 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 2023 (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 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	2268.86	2594.34	2129.14	2445.99
Effect of 1% change in the assumed salary growth rate	2591.72	2268.25	2441.92	2129.81
Effect of 50% change in the assumed attrition rate	2395.21	2455.57	2237.66	2331.99

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 572.74 lacs to the plan for the next annual reporting period (31 March 2022: INR 559.25 lacs).

Maturity profile of the defined benefit obligation

Expected cash flows

Particulars	31 March 2023	31 March 2022
Within 1 year	420.21	411.54
2 to 5 years	1039.19	904.24
6 to 10 years	981.19	935.19
More than 10 years	2105.18	1875.24

As at 31 March 2023, the weighted average duration of the defined benefit obligation was 7 years (31 March 2022: 7 years).

(c) Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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 2023 and 31 March 2022.

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 2023	31 March 2022
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	2631.43	2885.43
Current service cost	44.33	45.88
Interest cost	49.78	25.78

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for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36 Employee Benefits (Contd.)

B. Other retirement benefit plans in subsidiary companies (Contd.)

i. Reconciliation of the net defined benefit (asset) / liability (Contd.)

Particulars	31 March 2023	31 March 2022
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	(0.49)
- change in financial assumptions	(470.41)	(177.81)
- experience variance (i.e. actual experience vs assumptions)	119.75	63.16
Benefits paid	(145.05)	(163.36)
Foreign exchange fluctuation	138.35	(47.16)
Balance at the end of the year	2368.18	2631.43
<i>Reconciliation of the present value of plan assets</i>		
Balance at the beginning of the year	221.71	211.44
Interest income	3.73	2.20
Contributions paid into the plan	11.62	12.02
Return on plan assets, excluding amount recognised in net interest expense	(0.70)	0.35
Foreign exchange fluctuation	15.01	(4.30)
Balance at the end of the year	251.37	221.71
Net defined benefit liability recognised in consolidated balance sheet	2116.81	2409.72
<i>Expense recognised in consolidated statement of profit and loss</i>		
Current service cost	44.33	45.88
Net Interest cost on the net defined benefit liability	46.05	23.59
	90.38	69.47
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial gain on defined benefit obligation	(350.66)	(115.49)
Return on plan assets, excluding amount recognised in net interest expense	0.67	-
	(349.99)	(115.49)

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2023	31 March 2022
Fund managed by Neue Leben Lebensversicherungs AG for the fund created for liability of one of the subsidiary company	100%	100%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2023	31 March 2022
Discount rate	3.70%	1.65%
Future salary growth	0.00 to 3.56%	0.00 to 3.10%
Pension Increase rate	1.75%	1.75%
Attrition rate	6.53%	6.51%

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 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

36 Employee benefits (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 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	1401.46	1686.55	1592.62	2006.03
Effect of 1% change in the assumed pension rate	1668.37	1413.77	1969.11	1617.13

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 12.42 lacs to the plan for the next annual reporting period (31 March 2022: INR 11.68 lacs).

Maturity profile of the defined benefit obligation

Particulars	31 March 2023	31 March 2022
Within 1 year	172.88	137.78
2 to 5 years	846.79	605.36
More than 5 years	886.52	848.55
More than 10 years	1262.05	1168.15

At 31 March 2023, the weighted average duration of defined benefit obligation was 9.57 years (31 March 2022: 11.69 years).

37 Earnings Per Share ("EPS")

Particulars	31 March 2023	31 March 2022
(a) Net profit attributable to the equity shareholders	9710.34	21044.17
(b) Weighted average number of equity shares outstanding during the year	7522142	7501380
(c) Effect of potential equity shares on employee stock options outstanding	1930	48933
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b) + (c)]	7524072	7550313
(e) Nominal value of equity shares (in INR)	10.00	10.00
(f) Basic earnings per share (in INR) [(a)/(b)]	129.09	280.54
(g) Diluted earnings per share (in INR) [(a)/(d)]	129.06	278.72

38 Capital Commitments

Particulars	31 March 2023	31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1525.52	2869.92

39 Contingent Liabilities

A. Contingent liabilities (not provided for) in respect of:

Particulars	31 March 2023	31 March 2022
(a) Demand raised by the Income-tax authorities, being disputed by the Group*	1095.06	1873.04
(b) Demands raised by sales tax and Goods and service taxes authorities, being disputed by the Company**	8840.39	1953.45

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39 Contingent Liabilities (Contd.)

A. Contingent liabilities (not provided for) in respect of: (Contd.)

Particulars	31 March 2023	31 March 2022
(c) Demands (including penalties) raised by excise authorities, being disputed by the Group***	689.21	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	1535.22	1535.22
(f) Demand for property tax, being disputed by the Group^	-	1083.00
(g) Other claims against the group not acknowledged as debts ****	286.64	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, the Company has received demand from Goods and Services Tax Department, Government of Tamil Nadu, Chennai amounting to INR 7160 lacs with regards to HSN (Harmonized System Nomenclature) Classification code of one of the product sold by the Company. Aggrieved by the same, the Company has challenged the said Orders by filing Appeals before Deputy Commissioner (Appeals), Chennai which are pending for disposal. As on 31 March 2023, the Company has considered the aforesaid amount 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.

^ During the previous year, 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 quarter ended 30 September 2022, 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. The Company is awaiting for fresh demand notice from GHMC consequent to the order of Honourable High Court.

The Group is contesting the demands and the Management believe that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in the consolidated financial statements for the demand raised / show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

39 Contingent Liabilities (Contd.)

- 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 2023	31 March 2022
Supercor Industries Limited (refer note 46)	Joint venture	Nigeria	33%	33%
Parador (Shanghai) Trading Co., Limited (refer note 46)	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)
Mr. Mahesh Thakar	Company Secretary and Head - Legal (till 27 January 2023)
Non-Executive Directors and Independent Directors	
Mr. CK Birla	Chairman (Non-Executive Director)
Mr. Desh Deepak Khetrpal	Non-Executive Director
Mrs. Gauri Rasgotra	Independent Director
Mr. V.V. Ranganathan	Independent Director
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
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 2023	31 March 2022
Non-Executive Directors and Independent Directors	Sitting fees, reimbursements and commission	178.00	183.75
Managing Director and Chief Executive Officer	Managerial remuneration		
- Mr. Dhirup Roy Choudhary	- Remuneration*	516.82	458.85
	- Perquisite value of ESOPs exercised during the year	303.50	815.95

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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 2023	31 March 2022
- Mr. Dhirup Roy Choudhary (Contd.)	- Long term incentives	-	352.90
	Dividend Paid	18.17	7.90
	Consultancy charges	-	146.07
- Mr. Akshat Seth	Managerial remuneration		
	- Remuneration*	123.27	-
Chief Financial Officer			
- Mr. KR Veerappan	Salaries*	87.10	209.90
	Long term incentives	-	108.37
	Salary advance given	-	20.00
	Salary advance refund	-	20.00
- Mr. Saikat Mukhopadhyay	Salaries*	177.59	-
Company Secretary (Mr. Mahesh Thakar)	Salaries*	57.95	70.89
Mr. Chandra Kant Birla	Dividend Paid	33.39	23.12
Ms. Avanti Birla	Salaries*	131.82	-
GMMCO Limited	Purchase of goods	24.61	9.45
	Purchase of services	6.97	9.08
Orient Electric Limited	Purchase of goods	6.36	-
National Engineering Industries Limited	Rent paid	139.35	86.50
	Reimbursements	22.24	12.12
Birla Buildings Limited	Rent paid	0.34	0.44
	Rent received	0.04	0.04
	Purchase of services	32.94	31.59
	Reimbursements	24.88	12.03
	Dividend received	0.38	0.25
CK Birla Corporate Services Limited	Professional services	613.15	574.46
	Brand usage	116.43	109.95
	Reimbursements	17.70	15.54
Orient Paper and Industries Limited	Rent received	66.04	66.04
	Sales of finished goods	12.80	2.97
	Dividend paid	589.13	407.86
Orient Cement Limited	Rent received	81.84	81.84
	Sales of finished goods	2.04	2.48
Central India Industries Limited	Dividend paid	698.51	483.59
CK Birla Healthcare Private Limited	Purchase of services	-	12.71
Amer Investments (Delhi) Limited	Dividend paid	200.70	138.94
Ashok Investment Corporation Limited	Dividend paid	206.53	142.98
Hitaishi Investments Limited	Dividend paid	43.59	30.18
Hyderabad Agencies Private Limited	Dividend paid	2.67	1.85
Gwalior Finance Corporation Limited	Dividend paid	62.53	43.29
Ranchi Enterprises and Properties Limited	Dividend paid	2.93	2.03
Shekhavati Investments and Traders Limited	Dividend paid	145.91	101.01
Universal Trading Company Limited	Dividend paid	2.60	1.80

C. Balances outstanding^

Related party	Details	31 March 2023	31 March 2022
Supercor Industries Limited, Nigeria	Dividend receivable on investments #	9.01	9.01
Non-Executive Directors and Independent Directors	Commission	120.00	120.00
Managing Director and Chief Executive Officer			
- Mr. Dhirup Roy Choudhary	Managerial remuneration		
	- Remuneration*	-	69.39
	- Long term incentives	-	352.90
- Mr. Akshat Seth	Managerial remuneration		
	-Remuneration*	37.50	-
Chief Financial Officer			
- Mr. KR Veerappan	Salaries*	-	31.59
	Long term incentive	-	108.37

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for the year ended 31 March 2023 (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 2023	31 March 2022
- Mr. Saikat Mukhopadhyay	Salaries*	23.44	-
Company Secretary (Mr. Mahesh Thakar)	Salaries*	-	10.81
GMMCO Limited	Trade payable	2.03	0.34
Birla Buildings Limited	Rent payable	1.53	0.63
CK Birla Corporate Services Limited	Trade payables	32.66	166.18
Orient Cement Limited	Trade receivable	0.02	-
National Engineering Industries Limited	Reimbursements	0.17	0.09

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.

* As the future liabilities for gratuity, compensated absences and other long-term employee benefit plans are provided on an actuarial basis and 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.

^ Disclosures are including (Goods and Services Tax) GST, wherever applicable.

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

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 2023	31 March 2022
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [(including INR 162.68 lacs shown under capital creditors (31 March 2022: INR 97.42 lacs) and INR 66.08 lacs shown under liabilities on business acquisition].	2431.76	1634.54
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	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 years, 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

42 Other Provisions

Particulars	Opening balance	Created during the year	Utilised during the year	Exchange differences on translation of foreign operations	Closing balance
(i) 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
Provision for litigations [refer note (b) below]	307.25	-	-	-	307.25
Provision - others [refer note (c) below]	390.00	-	-	-	390.00
Provision for warranties [refer note (d) below]	925.69	465.02	465.02	58.44	984.13
	1737.62	1643.75	1143.26	100.85	2338.96

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for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

42 Other Provisions (Contd..)

Particulars	Opening balance	Created during the year	Utilised during the year	Exchange differences on translation of foreign operations	Closing balance
(i) For the financial year 2021-22					
Provision for employee related other costs [refer note (a) below]	54.68	94.48	33.95	(0.53)	114.68
Provision for litigations [refer note (b) below]	348.58	-	41.33	-	307.25
Provision - others [refer note (c) below]	410.00	-	20.00	-	390.00
Provision for warranties [refer note (d) below]	1243.15	1112.48	1415.70	(14.24)	925.69
	2056.41	1206.96	1510.98	(14.77)	1737.62

- (a) The wage agreement at none of the manufacturing locations (31 March 2022: at two) of the Group are pending as at 31 March 2023. 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.
- (e) Total other provisions disclosed above are part of current provisions.

43 Share based Payments

A. Description of share-based payment arrangements

Employee stock option scheme (equity-settled)

The Group provides share-based payment schemes to its eligible employees as identified in the employee stock option schemes. The relevant details of these schemes and grants are as below:

On 12 May 2015, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2015 (ESOP scheme 2015) for issue of stock options to identified employees of the Company.

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. No options are granted as on 31 March 2023 with respect to ESOP scheme 2023.

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 2015 and ESOP scheme 2019 are as below:

Particulars	ESOP scheme 2019 Grant I	ESOP scheme 2015 Grant II
Date of grant	14 October 2019	27 July 2017
Number of options outstanding	3336	-
Vesting period	40% - end of year 3 60% - end of year 4	40% - end of year 3 60% - end of year 4
Exercise period	4 years from the respective dates of vesting	4 years from the respective dates of vesting
Exercise price (INR)	1234.15	620.00
Weighted average market price (INR)	1234.15	1091.02

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

43 Share based Payments (Contd.)

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 and 31 March 2022

Particulars	ESOP scheme 2015	
	Grant II	
	Tranche 1	Tranche 2
Grant date	27 July 2017	
Fair value at grant date (INR)	563.45	563.45
Exercise price (INR)	620.00	620.00
Expected volatility (weighted average volatility)	33.04%	33.67%
Risk-free interest rate (based on government bonds)	6.41%	6.41%
Time to maturity (in years)	6.00	7.00
Expected dividends yields	2.50%	2.50%

Particulars	ESOP scheme 2019	
	Grant I	
	Tranche 1	Tranche 2
Grant date	14 October 2019	
Fair value at grant date (INR)	470.38	470.38
Exercise price (INR)	1234.15	1234.15
Expected volatility (weighted average volatility)	37.62%	37.89%
Risk-free interest rate (based on government bonds)	6.32%	6.56%
Time to maturity (in years)	5.00	6.00
Expected dividends yields	2.05%	2.05%

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 4.54 years (31 March 2022: 5.14 years).

C. Reconciliation of outstanding share options

The details of activity under "ESOP scheme 2015 and ESOP scheme 2019" are summarised below:

Particulars	31 March 2023	31 March 2022
	No. of options	No. of options
Outstanding at the beginning of the year	70411	108227
Granted during the year	-	-
Cancelled during the year*	43415	16456
Vested and exercised during the year	23660	21360
Outstanding at the end of the year	3336	70411

* 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 2023 was INR 2618.71 per share (31 March 2022: INR 4440.00 per share).

D. Expense recognised in the consolidated statement of profit and loss

During the current 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

44 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 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
As at 31 March 2022	USD	43	10565474	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

45 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 225.48 lacs (31 March 2022: INR 216.40 lacs) on generation of power, and recorded profit of INR 69.89 lacs (31 March 2022: INR 67.30 lacs).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

46 Equity Accounted Investees

Interest in joint venture

The Group's interest in a joint venture company is as follows:

Particulars	31 March 2023	31 March 2022
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	142.60	142.60
(31 March 2022 : 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	175.57	294.45
(31 March 2022 : One share of 100000 Euro each)		
	175.57	294.45
Aggregate amount of unquoted non-current investments	318.17	437.05
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 (refer note (a) below)	Nigeria	33%	31 December 2022	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 2023	31 March 2022
Percentage of ownership interest	50%	50%
Non-current assets	28.47	58.92
Current assets	1838.78	1835.26
Non-current liabilities	-	-
Current liabilities	(1462.04)	(1246.70)
Net Assets	405.19	647.48
Group's share	202.59	323.74
Unrealised profit eliminations	(27.02)	(29.29)
Group's share of net assets (50%)	175.57	294.45
Carrying amount of interest in joint venture	175.57	294.45
Group's share of profit / (loss)	(119.19)	218.42
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	(119.19)	218.42

During the year ended 31 March 2023 the Group has received net dividends amounting to NIL(31 March 2022: INR 144.37 lacs) from joint venture with Parador (Shanghai) Trading Co., Limited

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 2023 amounts to INR NIL (31 March 2022: INR NIL), after considering the provision for diminution in value of investments amounting to INR 142.60 lacs (31 March 2022: INR 142.60 lacs). During the previous year, 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

47 Leases - In the Capacity of Lessor

The Group has given certain properties under non-cancellable operating leases to various parties. Following are the details of future minimum lease receivables under the agreements:

Particulars	31 March 2023	31 March 2022
Not later than one year	410.31	194.39
Later than one year and not later than five years	585.24	21.00
Later than five years	-	-

48 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 and current borrowings.

The Group's total debt to equity ratio at the reporting dates were as follows:

Particulars	31 March 2023	31 March 2022
Total debt (A)	40745.00	28767.79
Total equity (B)	124365.43	116642.89
Total debt to total equity ratio (A/B)	0.33	0.25

49 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 662.89 lacs (31 March 2022: INR 525.38 lacs) and assets / equipment purchased for research activities of INR 41.78 lacs (31 March 2022: INR 85.98 lacs) disclosed under Property, plant and equipment.

50 Expenditure during Construction Period (included in capital work-in-progress)

Particulars	31 March 2023	31 March 2022
Balance brought forward (A)	20.50	6.00
Expenditure incurred during the year		
Cost of material consumed	10.82	1.59
Employee benefits expense	40.35	1.48
Consumption of stores and spares	8.19	-
Contract wages	10.11	2.65
Power and fuel	7.48	0.39
Printing & stationary	0.03	-
Rent	10.31	-
Rates and taxes	1.74	3.83
Insurance	1.64	-
Professional, consultancy and legal expenses	7.11	5.92
Travelling and conveyance	8.17	4.89
Miscellaneous	21.96	1.79
Total expenditure during construction period (B)	127.91	22.54
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	28.54
Allocated to property, plant and equipment	139.93	8.04
Balance carried forward	-	20.50

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for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

51 Impact of COVID - 19

The Group has considered internal and external sources of information up to the date of approval of these financial statements in evaluating the possible impact that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, goodwill, other intangible assets, inventories, receivables, investments and other financial assets. The Group has applied prudence in arriving at the estimates and assumptions and also performed sensitivity analysis on the assumptions used. The Group is confident about the recoverability of these assets. However, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the Group will continue to closely monitor any material changes to future economic conditions.

52 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 2023, 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.

53 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.

54 Leases - In the Capacity of Lessee

The following tables summarise the movement in lease liabilities:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	2502.23	2052.40
Additions	1107.93	1654.37
Interest expenses	101.61	96.56
Deletions	(28.36)	-
Repayment of principal and interest lease liabilities	(1333.26)	(1265.42)
Exchange differences on translation of foreign operations	99.18	(35.68)
Balance at the end	2449.33	2502.23

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 2023	For the year ended 31 March 2022
Expenses relating to short term leases (refer note 31)	1202.33	1413.14
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 2023	For the year ended 31 March 2022
Depreciation on Right-of-use assets	1313.51	1257.17
Interest expenses	101.62	96.56
	1415.13	1353.73

Amounts recognised in Statement of Cash flows

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Repayment of principal & interest lease liabilities	1333.26	1265.42
	1333.26	1265.42

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

54 Leases - In the Capacity of Lessee (Contd..)

The total minimum lease payments are as follows:

Particulars	31 March 2023	31 March 2022
Not later than 1 year	1255.78	1116.36
Later than 1 year and not later than 5 years	1120.57	1266.79
More than 5 years	1438.67	1445.49

55 A. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

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	-	-
Total	100.00%	124365.43	100.00%	9710.34	100.00%	2714.60	100.00%	12424.94

31 March 2022

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	88.32%	103023.05	88.30%	18582.82	5.18%	(39.16)	91.40%	18543.66
Subsidiary								
HIL International GmbH	35.12%	40966.08	11.66%	2453.31	94.21%	(712.17)	8.58%	1741.14
Adjustment arising out of consolidation	-23.44%	(27346.24)	0.04%	8.04	0.61%	(4.63)	0.02%	3.41
Total	100.00%	116642.89	100.00%	21044.17	100.00%	(755.96)	100.00%	20288.21

B. List of related parties and nature of relationship

Name of the related party	Nature of relationship	Country	% of Holding	
			31 March 2023	31 March 2022
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%	-
Parador (Shanghai) Trading Co., Limited	Joint venture	China	50%	50%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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 2023

Particulars	Note	Carrying amount				Fair value			Total
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	
Financial assets measured at fair value									
Derivative assets	10	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	2120.34
Financial assets not measured at fair value									
Trade receivables	8	-	-	12854.94	-	12854.94			
Loans	9	-	-	2684	-	2684.00			
Other financial assets	10	-	-	8825.07	-	8825.07			
Cash and cash equivalents	13	-	-	619719	-	619719			
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 2023 (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 2022

Particulars	Note	Carrying amount				Fair value			Total
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	
Financial assets measured at fair value									
Derivative assets	10	1557.60	-	-	-	1557.60	-	-	1557.60
Investments in equity instruments	7	-	34.62	-	-	-	-	34.62	34.62
		1557.60	34.62	-	-	1592.22	-	34.62	1592.22
Financial assets not measured at fair value									
Trade receivables	8	-	-	10981.37	-	-	-	-	10981.37
Other financial assets	10	-	-	6050.38	-	-	-	-	6050.38
Cash and cash equivalents	13	-	-	6213.88	-	-	-	-	6213.88
Other bank balances	14	-	-	1129.55	-	-	-	-	1129.55
		-	-	24375.18	-	-	-	-	24375.18
Financial liabilities measured at fair value									
Derivative liabilities	20	32.67	-	-	-	-	-	-	32.67
		32.67	-	-	-	-	-	-	32.67
Financial liabilities not measured at fair value									
Borrowings	17	-	-	-	28767.79	-	-	-	28767.79
Lease liabilities	18	-	-	-	2502.23	-	-	-	2502.23
Trade payables	19	-	-	-	36921.31	-	-	-	36921.31
Other financial liabilities	20	-	-	-	16115.20	-	-	-	16115.20
		-	-	-	84306.53	-	-	-	84306.53

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.

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for the year ended 31 March 2023 (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 2022-23 and no transfers in either direction in 2021-22.

iii. Level 3 fair values

Particulars	FVOCI Equity securities
Balance at 01 April 2021	32.04
Net change in fair value (unrealised)	2.58
Balance at 31 March 2022	34.62
Balance at 01 April 2022	34.62
Net change in fair value (unrealised)	(0.56)
Balance at 31 March 2023	34.06

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
2022-23		
Annual growth rate (2.5% movement)	151.26	(13.19)
2021-22		
Annual growth rate (2.5% movement)	157.48	(13.66)

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Liquidity risk
- Market risk
- 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 2023 (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.

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 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 bank	23037.41	23129.48	3838.12	3838.12	15453.24	-
Working capital loan	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	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	-	-	-

31 March 2022

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	3977.27	4240.63	2884.82	-	1355.81	-
Sales tax deferment loan - unsecured	137.24	137.24	132.26	4.98	-	-
Term loan from Bank	18783.94	18783.94	3546.02	3610.19	11627.73	-
Working capital loan	5869.34	5869.34	5869.34	-	-	-
Trade payables	36921.31	36921.31	36921.31	-	-	-

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for the year ended 31 March 2023 (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 2022 (Contd.)

Particulars	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Capital creditors	655.32	655.32	655.32	-	-	-
Unpaid dividend	81.26	81.26	81.26	-	-	-
Security deposits	4335.68	4335.68	4335.68	-	-	-
Contract liabilities	6809.23	6809.23	6809.23	-	-	-
Other financial liabilities	4233.71	4233.71	4233.71	-	-	-
	81804.30	82067.66	65468.95	3615.17	12983.54	-
Derivative financial liabilities						
Derivative liabilities	32.67	32.67	32.67	-	-	-
	32.67	32.67	32.67	-	-	-

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.

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):

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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) Market risk (Contd.)

i) Foreign Currency risk (Contd.)

Particulars	Currency	As at 31 March 2023			As at 31 March 2022		
		Value in foreign currency	Exchange rate	Amount INR in lacs	Value in foreign currency	Exchange rate	Amount INR in lacs
Trade payables	USD	(1331063)	82.32	(1095.75)	(2763362)	75.11	(2075.45)
	EUR	-	-	-	(13730)	84.15	(11.55)
	SEK	(252147)	7.94	(20.02)	17462	8.29	1.45
	CHF	(9752)	89.73	(8.75)	(14279)	81.42	(11.63)
	DKK	(56638)	12.04	(6.82)	(55927)	11.31	(6.33)
	GBP	2361	101.76	2.40	2586	99.51	2.57
	PLN	(9926)	19.12	(1.90)	(2475)	18.07	(0.45)
	NOK	(4572)	7.87	(0.36)	-	-	-
Trade receivables	USD	-	-	-	276742	75.11	207.85
	GBP	28582	101.76	29.08	166942	99.51	166.12
	SEK	15441988	7.94	1226.29	7232138	8.29	599.44
	CHF	244690	89.73	219.55	263369	81.42	214.43
Interest accrued on loan to subsidiaries	EUR	1307484	89.47	1169.81	547484	84.15	460.73
Cash and bank balances	USD	73915	82.32	60.85	454374	75.11	341.26
	GBP	108190	101.76	110.09	55480	99.51	55.21

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 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	11.70	(11.70)	8.75	(8.75)
	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	(0.02)	0.02	(0.01)	0.01
	NOK	(0.00)	0.00	(0.00)	0.00

31 March 2022

Particulars		Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
(1% movement)	USD	(15.26)	15.26	(11.42)	11.42
	EUR	4.49	(4.49)	3.36	(3.36)
	SEK	6.01	(6.01)	4.50	(4.50)
	CHF	2.03	(2.03)	1.52	(1.52)
	DKK	(0.06)	0.06	(0.05)	0.05
	GBP	2.24	(2.24)	1.68	(1.68)
	PLN	(0.00)	0.00	(0.00)	0.00
	NOK	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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) Market risk (Contd.)

ii) Interest rate risk (Contd.)

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2023	31 March 2022
Variable rate borrowings including current maturities	39460.03	24653.28
Total borrowings	39460.03	24653.28

Sensitivity

Particulars	Impact on profit and loss	
	31 March 2023	31 March 2022
1% increase in interest rate	(394.60)	(246.53)
1% decrease in interest rate	394.60	246.53

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.

Trade receivables :	< 180 days	>180 days	Provision	Total
31 March 2023	12657.68	1843.44	(1646.18)	12854.94
31 March 2022	11044.72	1386.50	(1449.85)	10981.37

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	31 March 2023	31 March 2022
Balance as at 01 April	1449.85	2168.18
Amounts written off	(22.04)	(650.49)
Net remeasurement of loss allowance	218.37	(67.84)
Balance as at 31 March	1646.18	1449.85

57 Benami Property

There are no proceeding initiated or pending against the Company as at 31 March 2023 and 31 March 2022, 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 2023 (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 Group 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 Group (Ultimate Beneficiaries) except as disclosed below. The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has given a short-term loan of Euro 2 million (INR 1606.20 lacs) at the interest rate of 8% p.a. to HIL International GmbH, Germany (wholly owned subsidiary company) on 30 September 2022. This loan was utilised by the subsidiary company for further advancing the loan to Parador GmbH, Germany, a wholly owned step-down subsidiary on 04 October 2022 to meet its general business requirements. Further, this loan was repaid to the Company on 27 November 2022. 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 Struck off Companies

The Company has 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 2023	Relationship with the struck off company
1.	Paramount PEB Projects Private Limited	Payables	0.36	None
2.	Giriraj Steels Private Limited	Receivables	0.11	None
3.	GCL Enterprises Private Limited	Receivables	0.51	None
4.	Delux Steel Industries Metal And Concast India Private Limited	Receivables	0.02	None
5.	Commercial Probe-Aid Services (India) Private Limited	Shares held by struck off company	200 shares	Shareholder
6.	Integra Micro Systems Private Limited	Shares held by struck off company	108 shares	Shareholder

65 During the year, Company Secretary of the Company, being one of the Key Managerial Personnel under the provisions of Section 203 of the Companies Act, 2013 ('Act') resigned w.e.f. 28 January 2023. The Company is in the process of identifying a suitable candidate and fill the said vacancy within the prescribed timelines under the applicable provisions of the Act.

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

Vikash Somani
Partner
Membership No.: 061272
Place: Hyderabad
Date: 15 May 2023

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and Chief Executive Officer
DIN: 10039820
Place: New Delhi

Saikat Mukhopadhyay
Chief Financial Officer
Place: New Delhi
Date: 15 May 2023

NOTICE OF 76th ANNUAL GENERAL MEETING

Notice is hereby given that the 76th Annual General Meeting (AGM) of **HIL Limited** (CIN: L74999TG1955PLC000656) will be held on **Monday, July 31, 2023 at 3.00 pm IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business:

Item no. 1: Adoption of Financial Statements (Standalone & Consolidated) for the financial year ended March 31, 2023:

To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.

Item no. 2: To confirm the payment of Interim Dividend and Declaration of Final Dividend:

To confirm the payment of Interim Dividend of ₹ 20/- (i.e. 200%) per Equity Share of ₹ 10/- each and to declare a Final Dividend of ₹ 25/- (i.e. 250%) per Equity Share of ₹ 10/- each for the financial year 2022-23.

Item no. 3: Appointment of Mr. Desh Deepak Khetrpal (DIN: 02362633) as a Director liable to retire by rotation:

To appoint a Director in place of Mr. Desh Deepak Khetrpal (DIN: 02362633), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

Item no. 4: To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2024:

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 required, 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 (Firm Registration No. 100283) of the Company, amounting to ₹ 8.00 Lakhs (Rupees Eight Lakh 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, 2024."

Item no. 5: To accord consent for increase in remuneration of Ms. Avanti Birla, President-Strategy, of the Company:

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 188(1)(f) of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rule, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, as amended from time to time, and pursuant to the recommendations of the Nomination and Remuneration Committee, the Audit Committee and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for increasing the remuneration of Ms. Avanti Birla, President - Strategy of the Company, a relative of Mr. Chandrakant Birla, Chairman and Non-executive Director of the Company, for the financial year 2023-24 to ₹ 180.00 Lakhs (Rupees One Crore Eighty Lakh Only) per annum which shall consist 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, commensurate with her qualification, knowledge, experience and responsibilities as per the rules and policies of the Company .

RESOLVED FURTHER THAT the Board of Directors of the Company, (hereinafter referred to as the 'Board' which term shall, unless repugnant to the context or meaning thereof, be deemed to include any Committee thereof), be and is hereby authorised to alter/vary/revise the annual remuneration of Ms. Avanti Birla, President - Strategy of the Company, for subsequent financial years, by such amount as may be considered appropriate by the Board as per HIL's annual appraisal policy, provided the annual increments does not exceed 25% of the salary of the previous financial year last drawn and all other terms and conditions of her appointment shall remain same as per the policies of the Company to the grade of her appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things, as may be necessary, proper, expedient or incidental for giving effect to this resolution with the intent that the approval of members shall be deemed to have been granted for any such revision in her annual remuneration for subsequent financial years."

By order of the Board
HIL Limited

Sd/-

Akshat Seth

Managing Director & CEO

DIN: 10039820

Date: May 15, 2023

Place: New Delhi

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 No. 4 and 5 of the accompanying Notice:

Item No. 4:

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 15, 2023 based on the recommendations 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 2023-24, at a remuneration of ₹ 8.00 Lakhs (Rupees Eight Lakh only) plus other applicable taxes and out of pocket 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

None of the Directors, Key Managerial Personnel of the company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors, in the interest of the company, recommends the Ordinary Resolution set out at Item no.4 of the Notice for approval by the shareholders.

Item No. 5:

Pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 ("Act") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rule, 2014, ("Rules") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable provisions, if any, as amended from time to time, shareholders of the Company at the Annual General Meeting held on July 29, 2022, approved the appointment and payment of remuneration to Ms. Avanti Birla, a relative of Mr. Chandrakant Birla, Chairman and Non-executive Director of the Company, holding an office or place of profit in the Company, as President - Strategy of the Company on an annual remuneration of ₹150.00 Lakhs (Rupees One Crore Fifty Lakh Only) per annum to be paid by the Company on such terms, conditions and benefits as per the policies of the Company to the grade of her appointment.

Ms. Avanti Birla is the founder of the CK Birla Hospital, a chain of multi-specialty hospitals providing best in class clinical care and patient experience and Birla Fertility & IVF: a chain of clinics providing comprehensive fertility solutions. Avanti works on various strategic initiatives across diversified group companies of the CK Birla Group. She graduated from the University of Pennsylvania with a Bachelor of Arts in Economics.

Considering the qualification, knowledge, expertise and the responsibilities being handled by Ms. Avanti Birla, the Board of Directors on the recommendations of the Nomination and Remuneration Committee, the Audit Committee at its meeting held on May 15, 2023, subject to the approval of shareholders, approved increase in the remuneration of Ms. Avanti Birla, President - Strategy of the Company, a relative of Mr. Chandrakant Birla, Chairman and Non-executive Director of the Company, for the financial year 2023-24 to ₹ 180.00 Lakhs

(Rupees One Crore Eighty Lakh Only) per annum which shall consist 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. The said approval is sought with further delegation of authority to the Board of Directors of the Company, (hereinafter referred to as the 'Board' which term shall, unless repugnant to the context or meaning thereof, be deemed to include any Committee thereof), to alter/vary/revise the annual remuneration of Ms. Avanti Birla, President - Strategy of the Company, for subsequent financial years, by such amount as may be considered appropriate by the Board in accordance with the HIL's annual appraisal policy provided the annual increments does not exceed 25% of the salary in previous financial year last drawn and all other terms and conditions of her appointment shall remain same as per the policies of the Company to the grade of her appointment.

Accordingly, in terms of the provisions of Section 188(1)(f) of the Act, read with section 2(76) and Rule 15 of the Rules and SEBI Listing Regulations, approval of shareholders is being sought for such increase in her annual remuneration along with further authorisation to the Board of Directors (including any Committee thereof) to alter/vary/revise the annual remuneration of Ms. Avanti Birla, President - Strategy of the Company, for subsequent financial years, by such amount as may be considered appropriate by the Board as per HIL's annual appraisal policy, provided the annual increments does not exceed 25% of salary of the previous financial year last drawn and all other terms and conditions of her appointment shall remain same as per the policies of the Company to the grade of her appointment.

The details required as per Rule 15 of the Rules are as under:

- Name of the Related Party: Ms. Avanti Birla
- Name of Director or Key Managerial Personnel who is related: Mr. Chandrakant Birla, Chairman and Non-executive Director of the Company
- Nature of Relationship: Ms. Avanti Birla is daughter of Mr. Chandrakant Birla
- Nature, material terms, monetary value and particular of contract and arrangement: As detailed above and in the resolution no. 5.

Ms. Avanti Birla is not holding any shares of the Company directly however she is a part of Promoter and Promoter Group.

Except Mr. CK Birla, Chairman and Non-Executive Director and his relatives, none of the Directors and Key Managerial Personnel and any of their relatives are in any way, either directly or indirectly, financially or otherwise, concerned with or interested in the resolution set out at item no. 5 of this Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

By order of the Board
HIL Limited

Sd/-
Akshat Seth

Managing Director & CEO
DIN: 10039820

Date: May 15, 2023
Place: New Delhi

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, in respect of Director retiring by rotation seeking re-appointment at this AGM are furnished in the Notice of AGM.
2. Pursuant to General Circular dated December 28, 2022 issued by the Ministry of Corporate Affairs ("**MCA**") read with its earlier circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and May 5, 2022 (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, 2023 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 1 & 2, L7 Floor, SLN Terminus, 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 Act. 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 76th 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 1000 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, Chairman, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 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.co.in 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 January 5, 2023 read with circular dated May 12, 2020, January 15, 2021 and May 13, 2022 (hereinafter referred to as "**SEBI Circulars**"), Notice of the 76th AGM along with the Annual Report for the financial year 2022-23 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 2022-23 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 2022-23 will also be available on the website of the Company at www.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. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, July 22, 2023 to Monday, July 31, 2023**, both days inclusive, for annual closing and for determining the entitlement of the Members to the final dividend for financial year 2022-23, if approved at the AGM.
9. **Payment of 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 29, 2023 to the Members whose names appear on the Company's Register of Members as on the close of business hours on **Friday, July 21, 2023** and whose bank mandate are registered in the records of the Depository Participants/RTA. For Members whose bank mandates are not updated with the Depository Participants /RTA as on the book closure date, warrants or cheques shall be sent through post.

10. **Tax Deduction at Source on Dividend:** Pursuant to Income-Tax Act, 1961, as amended, the dividend income is now 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 2023-24, provided PAN is provided by the member. If PAN is not submitted to the Company / RTA (in case shares are held in physical mode) / updated in their demat account (in case shares are held in demat mode), 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 to be received during the financial year 2023-24 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 a person has not filed his/her Return of Income with in the due date for preceding financial year and the aggregate of TDS in his/her case is Rs. 50,000 or more in the said previous year which 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. 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 info@vccipl.com or to the Company at cs@hil.in on or before Friday, July 21, 2023 in order to enable the Company to determine and deduct appropriate tax. No communication on the tax determination / deduction shall be entertained post Friday, July 21, 2023. 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 need assistance in obtaining the TDS certificate, he / she may write to the Company at cs@hil.in or to RTA at info@vccipl.com

11. 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 Private 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	info@vccipl.com
Land line no.	1800 309 4001
Website	www.vccipl.com

12. **Procedure for updating / registering the email address and mobile numbers for receiving Annual Report and other communications from the Company electronically and updation of bank account mandate for receipt of dividend:**

1. Those members whose email IDs are not registered, are requested to register their email ID with Registrar & Share Transfer Agent i.e. info@vccipl.com (RTA) by writing an email either to the RTA at info@vccipl.com or to the company at cs@hil.in by submitting the following details:
 - a. Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card and Aadhar card.
 - b. To update bank account details, please send the following additional documents/information followed by the hard copies:
 - i. Name of the bank and branch address,
 - ii. Type of bank account i.e., savings or current,
 - iii. Bank account no. allotted after implementation of core banking solutions,
 - iv. 9-digit MICR code no., and 11-digit IFSC code
 - v. Original cancelled cheque bearing the name of the first shareholder, failing which a copy of the bank passbook / statement attested by a bank
 - c. Members holding their shares in demat mode, please contact your Depository Participant (DP) and follow the process advised by your DP.
2. Post successful registration of the email, the member would get soft copy of the Annual Report 2022-23 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. In case of any queries, member may write to info@vccipl.com or cs@hil.in.
3. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent

Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to RTA if the shares are held by them in physical form.

Members holding shares in Dematerialized Form:

Members holding shares in electronic form are requested to intimate any change in their email address and/or mobile number and/ or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its RTA cannot act on any request received directly from the Members holding shares in electronic form for any change of above-mentioned particulars.

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.

Members who have not encashed their dividend paid by the Company so far up to and during the financial year ended March 31, 2023, may immediately approach the Company / RTA for claiming dividend amount. Information in respect of the unclaimed dividend up to March 31, 2023, is available on the website of the Company www.hil.in and same will be uploaded on the website of Investor Education and Protection Fund ("IEPF") Authority of the Government, i.e., www.iepf.gov.in and on the website of the Company, www.hil.in after the AGM.

Please note that the unpaid/unclaimed final dividend for the financial year 2015-16 shall become due to transfer to IEPF on **August 29, 2023** 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, 2016, 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 (a) copy of PAN Card; (b) a cancelled cheque of your registered bank account; and (c) the original un-encashed Dividend warrant or a duly filled in indemnity letter in the format available on the website of the Company www.hil.in. The said application should reach the Company on or before **August 18, 2023** so as to enable us to submit your request to the bankers for transfer 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 to the Demat Account of the IEPF Authority.

14. **KYC updation for physical members:** SEBI vide its circular number SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2023/37 dated March 16, 2023 mandated for furnishing of details of PAN, email address, mobile number, bank account details and nomination by holders of physical securities. Folios wherein any one of the cited document/details are not

available **on or after October 01, 2023**, shall be frozen by the Registrar and Share Transfer Agent of the Company (RTA) and you will be eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents/details as mentioned herein (12) above and shall also be eligible for receipt of dividend in respect of such frozen folios, only through electronic mode with effect from **April 1, 2024** upon receipt of such communication by the Company and furnishing of the complete documents /details as mentioned herein (12) above in this regard. If such folios continue to remain frozen as on December 31, 2025, thereafter, the same to be reported to administrative authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002. Therefore, members of the Company, holding shares in physical mode are requested to immediately update their aforesaid KYC details with the RTA of the Company to avoid any hardship/consequences as above. For facilitating to update their aforesaid KYC details, the Company has uploaded required forms – ISR1, ISR2, ISR3, ISR4, SH13 and SH14, as applicable, on its website viz. www.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.

15. 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.
16. **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
17. 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 Friday, July 21, 2023** by sending 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., **Friday, July 21, 2023**.

18. 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 Act 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 **Thursday, July 27, 2023, at 9.00 a.m.** IST and ends on **Sunday, July 30, 2023 at 5.00 p.m.** IST. During this period, Members of the Company holding shares either in physical or dematerialized form, as on the cut-off date of **Friday, July 21, 2023 ("Cut-off Date")** may cast their vote by remote e-Voting. 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 can 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, **Friday, July 21, 2023**.

- 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 76th 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.co.in, 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:

1) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ Depositories Participants ('DPs') to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ('ESP') thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

Login method for individual members holding securities in dematerialized mode is given below:

Type of members	Login Method
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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.nsd.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.

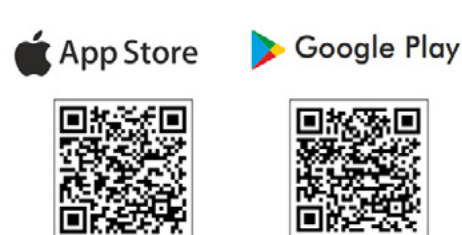
If you are not registered with IDeAS, follow the below steps:

1. Option to register is available at <https://eservices.nsd.com>.
2. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsd.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.nsd.com/> either on a computer or on a mobile phone.
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:



Type of members	Login Method
Members holding securities in dematerialized mode with CDSL	<ol style="list-style-type: none"> 1. Users who are registered at CDSL Easi/Easiest, can login through their existing User ID and Password. The 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 is 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 the 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 members (holding securities in dematerialized mode) login through their DPs	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. 2. Once logged-in, 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.co.in or call at 022 - 4886 7000 and 022 - 2499 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 and joining virtual meeting for members holding securities in physical mode. other than individual members holding securities in dematerialized 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.
- iv. 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.
- v. 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***

- vi. 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 by NSDL. 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 from evoting@nsdl.com. 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.
- vii. 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 based login for casting the votes on the e-voting system of NSDL.

- viii. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- ix. Now, you will have to click on “Login” button.
- x. 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 the 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. 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.
- ii. In case of any queries related to e-voting, you may refer the Help/Frequently Asked Questions (“Help/FAQs”) and e-voting user manual available

at the download section of <https://www.evoting.nsdl.com>. For any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Senior Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, e-mail: evoting@nsdl.co.in, toll free no: 022 - 4886 7000 / 022 - 2499 7000.

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 AS WELL AS GETTING COPY OF THIS NOTICE:

- i. In case shares are held in physical mode please provide Folio No., Name of member, 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 cs@hil.in
- ii. 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) to cs@hil.in. If you are an Individual member holding securities in demat mode, you are requested to refer to the login method explained above at **Step 1**, i.e., **Login method for e-Voting and joining virtual meeting for Individual members holding securities in demat mode.**
- iii. Alternatively, member may send a request to evoting@nsdl.co.in 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.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 Contact Person at NSDL: **Ms. Pallavi Mhatre, Senior Manager, NSDL.**
 - 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 25, 2023. 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 speaker shareholder, will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
19. 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.
20. 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.
21. 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 www.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 76th AGM shall also be made available on the website of the Company www.hil.in in the Investor's section, as soon as possible after the AGM is over.
22. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM, i.e., **Monday, July 31, 2023.**

Annexure to the explanatory statement pursuant to Regulation 36 of SEBI Listing Regulations and Secretarial Standard-2 issued by ICSI, information about the Directors proposed to be appointed / re-appointed is furnished below:

Name of the Director	Mr. Desh Deepak Khetrapal
Director Identification Number (DIN)	02362633
Nationality	Indian
Date of birth	July 5, 1955
Age	67 years
Qualification	Holds honours degree in Business & Economics and Master's degree in Business Administration in Marketing and Finance from Delhi University
Experience (including expertise in specific functional area)/ Brief Resume	<p>He is a professional business leader with a proven track record of leading sustainable transformation in large and diversified organizations, across various industries including services, manufacturing, consumer and retail businesses with a focus on ESG and climate change.</p> <p>Mr. Khetrapal is the Managing Director and CEO of Orient Cement Limited and his previous positions include the Group Chief Executive Officer of Jumbo Group of Companies and Whole time Director/ Group COO at Raymond Limited.</p>
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable
Date of first appointment on the Board of the company	October 28, 2013
Terms and conditions of re-appointment	Director liable to retire by rotation
Details of remuneration last drawn (FY 2022-23)	Sitting Fee: ₹ 12.00 Lakh Commission: ₹ 20.00 Lakh
Shareholding in the company including beneficial ownership	Nil
List of Directorship held in other companies	<ul style="list-style-type: none"> a. Orient Cement Limited (Managing Director) b. Orient Electric Limited (Non-Executive Director)
Membership / Chairmanship in Committees of other companies as on date*	<ul style="list-style-type: none"> a. Orient Cement Limited <ul style="list-style-type: none"> 1. Audit Committee (Member) 2. Stakeholders Relationship Committee (Member) b. Orient Electric Limited <ul style="list-style-type: none"> 1. Audit Committee (Member)
Listed entities from which he/she has resigned in the past three years	Nil
No. of Board Meetings attended during FY 2022-23	Attended all 6 Board Meetings held during the period
Relationships between Directors inter-se or Manager and other Key Managerial Personnel of the company	None

*Only two Committees namely, Audit Committee and Stakeholders' Relationship Committee have been considered.

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



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