




# 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 market-place 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

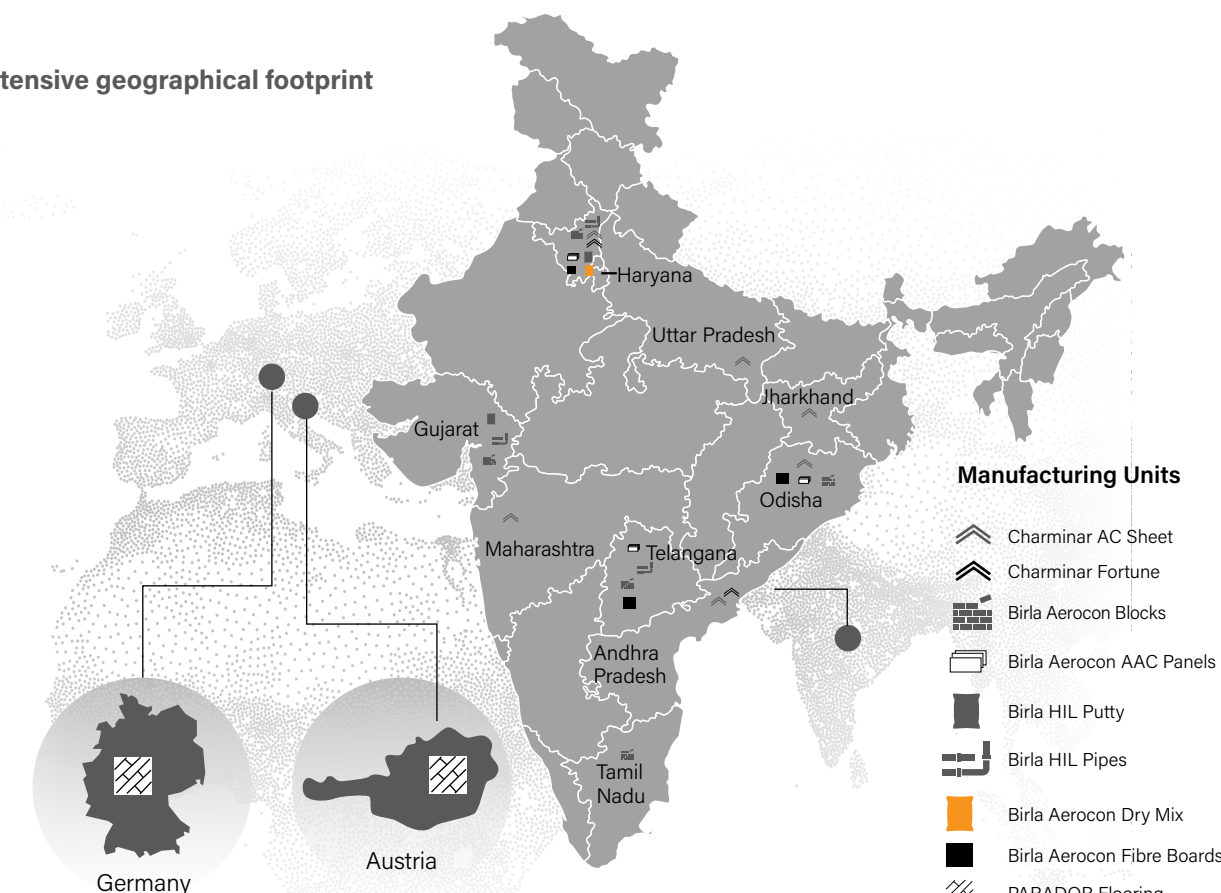


Accountability



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

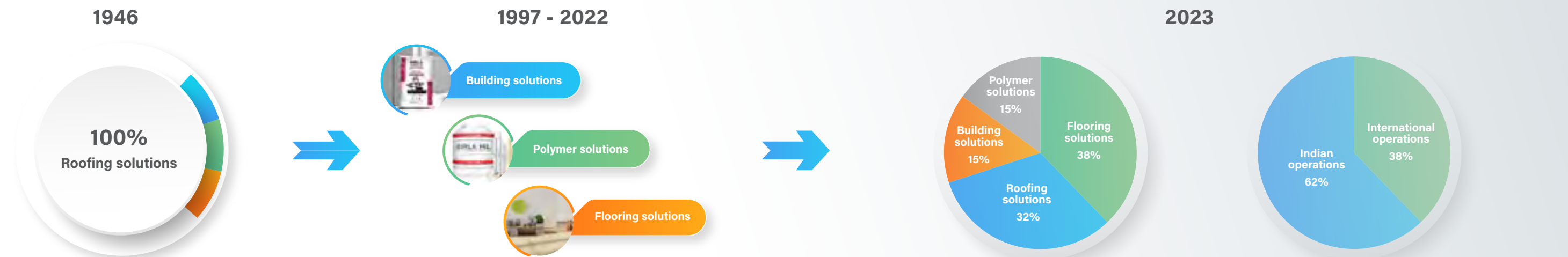
**₹343 Lakhs**

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 27<sup>th</sup> 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



## 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.

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.

## 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

## 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)

FY20	2594
FY21	3048
FY22	3520
FY23	<b>3479</b>

### EBITDA (₹ Crores)

FY20	271
FY21	489
FY22	422
FY23	<b>248</b>

### PAT (₹ Crores)

FY20	106
FY21	260
FY22	210
FY23	<b>97</b>

### Net worth (₹ Crores)

FY20	743
FY21	995
FY22	1166
FY23	<b>1244</b>

### Share of roofing segment revenue (% of total revenue)

FY20	30
FY21	29
FY22	30
FY23	<b>32</b>

### Debt equity ratio (times)

FY20	1.00
FY21	0.41
FY22	0.25
FY23	<b>0.33</b>

### ROCE (%)

FY20	11
FY21	25
FY22	23
FY23	<b>9</b>

### ROE (%)

FY20	15
FY21	25
FY22	19
FY23	<b>8</b>

## Standalone

### Revenue (₹ Crores)

FY20	1360
FY21	1570
FY22	1973
FY23	<b>2155</b>

### EBITDA (₹ Crores)

FY20	176
FY21	321
FY22	307
FY23	<b>228</b>

### PAT (₹ Crores)

FY20	77
FY21	188
FY22	186
FY23	<b>130</b>

### Net Worth (₹ Crores)

FY20	705
FY21	877
FY22	1030
FY23	<b>1114</b>

### Share of roofing segment revenue (% of total revenue)

FY20	57
FY21	57
FY22	53
FY23	<b>52</b>

### Debt equity ratio (times)

FY20	0.61
FY21	0.17
FY22	0.06
FY23	<b>0.11</b>

### ROCE (%)

FY20	14
FY21	20
FY22	23
FY23	<b>14</b>

### ROE (%)

FY20	11
FY21	18
FY22	19
FY23	<b>12</b>



# 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

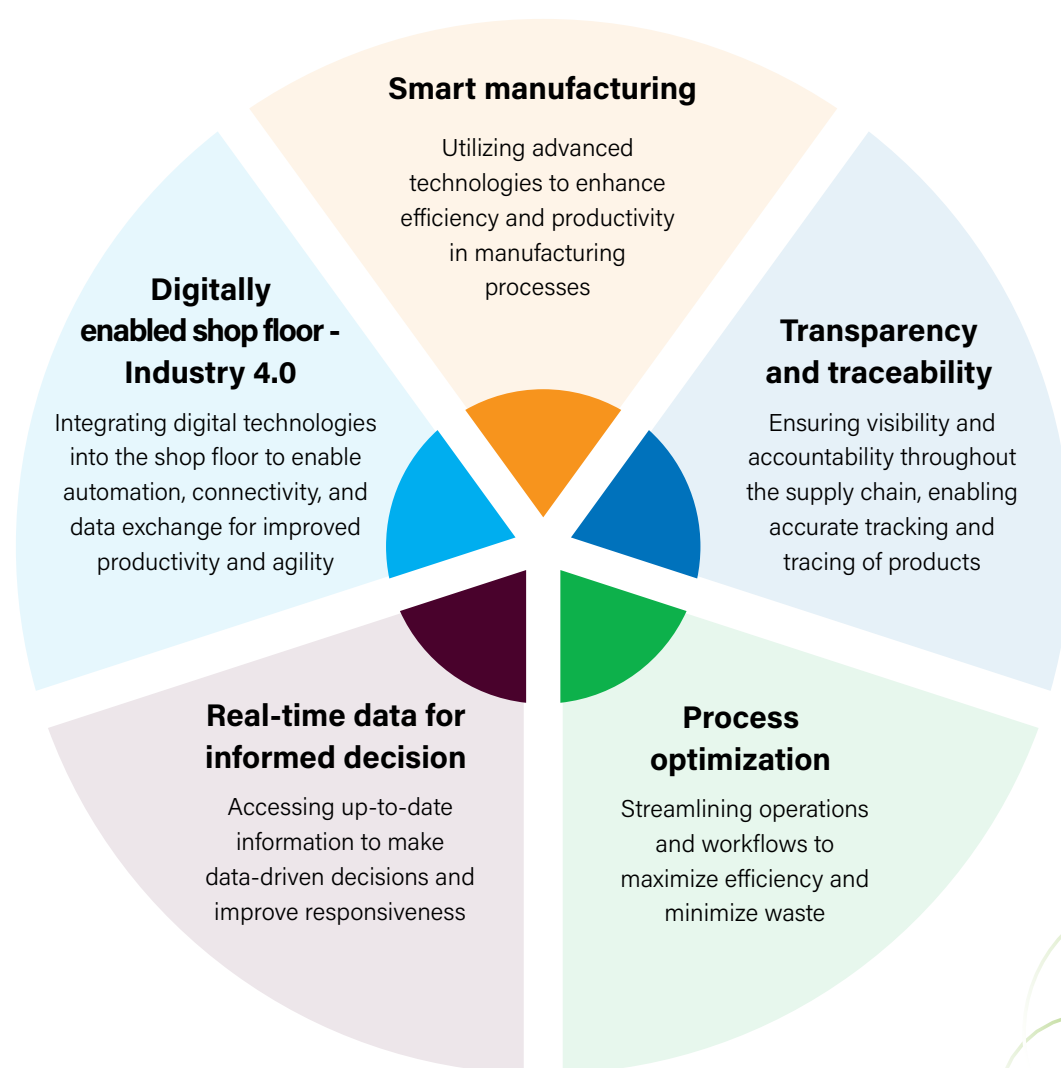
**PARADOR**

# 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

