

HIL Limited

Transcript of 77th Annual General Meeting held on July 30, 2024, at 3:00 p.m which concluded at 4:25 p.m on the same day

Nidhi Bisaria: Good afternoon, everyone. I, Nidhi Bisaria, Company Secretary of the company, welcome you all to the 77th Annual General Meeting of HIL Limited. Before I hand over the proceedings to the Chairman to declare the meeting open, I would like to bring the kind attention of the members to the following points:

The Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI) vide their respective circulars have allowed the companies to hold the Annual General Meetings through video conferencing or other audio-visual means until September 30, 2024. This Annual General Meeting is accordingly being held through video conference without the physical presence of members at a common venue.

The Company's Annual report for the financial year 2023-24, along with the notice of the 77th AGM, has been sent electronically to all the shareholders whose email IDs are registered with the company's registrar and share transfer agent of the depositories. The company has also sent physical copies of the annual report to those members who have requested the same.

The registered office of the company is situated at Office No 1 & 2, Level 7, SLN Terminus, SY No 133, Near Botanical Gardens Gachibowli, Hyderabad, Telangana India, 500032 shall be deemed as the venue for the 77th AGM and the proceedings of this AGM shall be deemed to be convened there. The register of directors and key managerial personnel, the register of contracts and arrangements in which the directors are interested, and other documents required to be kept open for inspection can be assessed for inspection by the members at the e-voting page of NSDL and also on the website of the Company during the proceedings of this AGM.

As the AGM is being held through video conference, the facility for the appointment of proxies by the members was not applicable. Hence, the proxy register is not available for inspection. All the shareholders who have joined this

meeting are by default being placed by the host on mute mode to avoid disturbance which may arise from the background noise and to conduct this meeting smoothly and seamlessly.

Some of the shareholders have registered themselves as speaker shareholders for this AGM. Accordingly, the opportunity will be given to those shareholders to ask questions or express their views. The moderator will facilitate the session. Once the Chairman opens the Q&A session, the shareholders who have registered themselves as speaker shareholders will be announced one by one. Before speaking, the shareholders are requested to click the webcam button to switch on their camera. I would request shareholders to first introduce themselves and then proceed with their questions or views. I also request the shareholders to be brief and limit their questions to 3 mins. I will now brief the e-voting process for voting by shareholders on the resolutions set out in the notice of the 77th Annual General Meeting. In compliance with the provisions of the Companies Act 2013 and SEBI Listing Regulations, the Company has provided all the members who are holding shares as of the cut-off date of 23rd July 2024, either in physical or in dematerialized form, the facility to exercise their right to vote on all the resolutions set out in the notice of the 77th Annual General Meeting. The remote e-voting platform was provided by the National Securities Depository Limited and the remote e-voting facility was available to the members from 9:00 am on Friday, 26th July 2024 to 5:00 pm on Monday, July 29th, 2024. The electronic voting facility at the AGM is being made available to the shareholders who have not cast their votes through remote e-voting. The e-voting window has been activated during the AGM proceedings. The shareholders attending the meeting who have not cast their vote through remote e-voting can cast their vote by going to the e-voting page on the previous menu, clicking on active voting cycle, and clicking EVEN128994. Shareholders may please note that there will be no voting by show of hands. Now I request Mr Birla, Chairman of the Company to kindly chair the meeting and commence the proceedings of this meeting.

C. K. Birla: Thanks Nidhi. Good afternoon and warm welcome to all of you to the 77th Annual General Meeting of HIL Ltd. Before we start proceedings of this AGM, let me introduce you to my colleagues here with me.

Mr Akshat Seth, Managing Director, and CEO of the company, Ms. Amita Birla, Non-Executive Director and Chairman of the CSR Committee, Mr Desh Deepak Khetrupal, Non-Executive Director, Dr Arvind Sahay, Independent Director and Chairman of the Nomination and Remuneration cum Compensation Committee, Ms Nidhi Killawala, Independent Director and Chairman of the Stakeholders' Relationship Committee, Mr Ajay Kapadia, Chief Financial Officer and Ms Avanti Birla, President Strategy of the Company are present with me. I request the other Board members who have joined the AGM through video conferencing from their respective locations to introduce themselves.

Mr Sunil Bhumralkar, Independent Director.

Sunil Bhumralkar: Good morning. I am Sunil Bhumralkar, an Independent Director and the Chairman of the Audit Committee and the Risk Management Committee. I am joining the 77th AGM from my residence at Bangalore.

C. K. Birla: Prof. Janat Shah, Independent Director.

Janat Shah: I am Janat Shah, Independent Director. I am joining the 77th AGM of HIL Limited from Udaipur.

C. K. Birla: I wish to inform that all the Directors of the company are attending this AGM. I also acknowledge the attendance of Mr Sulabh Kedia, Partner, BSR & Co., statutory auditors of the company; Mr Ranjeet Pandey, Practising Company Secretary, representing Ranjeet Pandey and Associates, secretarial auditors of the company for the financial year 2023-24 and Mr Mohit Gurjar of P. S. Rao and Associates, Practising Company Secretary, Scrutinizer of the meeting, and Mr Sandeep Zanwar, Cost Auditor of the Company from their respective locations.

I thank all the shareholders, colleagues on the Board, and the management team for joining this meeting through video conference. The participation of members through video conference is being reckoned for the purpose of quorum, as per the circulars issued by the Ministry of Corporate Affairs and Section 103 of the Companies Act 2013. As the requisite quorum is present, I call the meeting to order.

The Company has made all the feasible efforts to enable the shareholders to participate in the AGM through video conferencing facility and in providing an electronic voting facility through the AGM.

Now, I proceed with my formal address.

Dear Shareholders, a very warm welcome to all of you at the 77th Annual General Meeting of HIL. On behalf of the Board of Directors, I would like to thank you for your unwavering support to HIL through the last fiscal year. At the consolidated level, HIL reported a revenue of Rs 3375 cr with the EBIDTA of Rs 154 cr for the financial year 24. We delivered a steady performance with robust volume growth across most product segments and reported a standalone revenue of Rs 2231 cr for the year, up 4% from the last year.

In a year characterized by robust demand, intensifying competition and pricing pressures, the team's relentless focus on driving operational efficiencies and continuous improvement in cost structure, meant our profitability improved across most segments. The past year will be remembered as the one where we laid the foundation for a reimagined HIL. We advanced the growth agenda with the ambition of becoming a USD 1 billion company within the next 3-4 years. We have transformed our branding efforts and re-invigorated our product innovation engine. Enhancing profitability through value mining has become a key organisational priority. We are taking decisive steps to build the organisation for tomorrow by strengthening our leadership and frontline teams, embracing a digital-first approach and fostering a culture of excellence.

We are well-positioned for an exciting FY25 and beyond for HIL. A major milestone during the last year was the recent acquisition of Topline, in the pipes and fittings business, which expanded our product portfolio and production capacity, broadened the addressable markets in the East and Government projects and provided access to specialized technologies. Coupled with strong efforts to deepen our channel presence, this acquisition is the impetus for accelerated growth in one of the most exciting categories in the construction and building products industry. Our Construction Chemicals business is on a strong growth too, with revenue doubling year on year. In Roofing & Building Solutions, we have recorded our highest-ever volumes and further solidified our market share. While the performance of our Putty business

was muted during the year, structural fine-tuning including re-alignment of the sales team and geographic expansion has started yielding results and we are confident of strong results in FY 25.

Parador, in FY24, presented a story of opportunity amidst adversity. Despite challenging conditions in Europe, the re-energised Parador team, sees the opportunity to enhance the market share by leveraging its strengths in product innovation, design and quality. In addition, we are expanding our areas of play to newer geographies such as North America and the Middle east and into Commercial segments. Parador provides a huge global dimension and reach to HIL, and I truly believe it is one of the most exciting parts of our portfolio.

At the heart of the HIL is our people and our culture. A culture that is based on trust, inclusion, community and excellence. We are encouraged and honoured to be counted among the 100 best companies to work for in India by the Great Places to Work Institute. In fact, we are ranked number 12 in 2024 edition of the survey, an improvement of 15 positions over the previous year. We are dedicated to fostering a diverse and inclusive workplace where every voice is heard and respected creating a vibrant environment where everyone thrives.

Our commitment to corporate citizenship is evident in our focus on energy efficiency, waste reduction, and promotion of eco-friendly materials to minimize our environmental impact and create long-term value for our stakeholders. We are increasing the proportion of renewable sources in our energy mix beyond the current 50% and have achieved zero liquid discharge status at all our manufacturing facilities. Certifications like Green-pro and Griha recognized our dedication to sustainability as a key differentiation for HIL. Our CSR philosophy is led by our ethos to serve. This year, we partnered with organizations such as Live, Love, Laugh Foundation in the fields of health, wellness and education, serving and uplifting underserved communities and creating an impact on over 26,000 lives across the country.

During the year, I have had the opportunity to interact with many of our key business and channel partners and our customers. I felt humbled by the trust that our partners and customers place in HIL. These interactions have strengthened my confidence in our value-building growth journey and motivated us to intensify our efforts towards becoming one of the most admired home and

building brands globally. On behalf of the Board of Directors, I would like to thank all our shareholders, partners, and associates for their unwavering support. I am also grateful to my colleagues on the Board as well as the entire global workforce of HIL. Your continued commitment and partnership are essential to our success.

Thank you.

Now, let me cover two important aspects. First, the notice of the 77th Annual General Meeting, along with the annual report for the financial year 2023-24 was sent to the shareholders electronically. With your permission, I shall take them as read. Second, there are no qualifications, observations, or adverse remarks in the statutory auditor's report on the financials of the Company for the financial year 2023-24 and the secretarial auditor's report. Therefore, with your permission, I take the statutory auditor's report and the secretarial auditor's report as read. I now take up the business, as mentioned in the notice of the 77th Annual General Meeting.

1. Ordinary resolution: To receive, consider, and adopt the audited standalone and consolidated financial statements of the company for the financial year ending March 31, 2024, together with the reports of the Board of Directors and the auditors thereon.

2. Ordinary resolution: To confirm the payment of an interim dividend of Rs 15, i.e., 150% per equity share of Rs 10/- each and to declare a final dividend of Rs 22.50, i.e., 225% per equity share of Rs 10/- each for the financial year 2023-24.

Now, I request Mr Deepak Khetrpal, Non-Executive Director, to take up the Chair for item no. 3 wherein I am interested.

Deepak Khetrpal: Thank you, Mr Birla.

3. Ordinary resolution: To appoint a Director in place of Mr Chandrakant Birla, DIN: 00118473 who retires by rotation, and being eligible, offers himself for reappointment.

I now request Mr Birla to resume the proceedings.

C. K. Birla: Thank you, Deepak.

4. Special resolution: To appoint Prof. Janat Shah, DIN 01625535, as an Independent Director of the company.

5. Special resolution: To approve increase in the limit of managerial remuneration payable to the Managing Director and CEO, in excess of 5% of the net profits of the company, up to a limit of 8% of the net profits for the financial year 2023-24.

6. Ordinary resolution: To ratify the remuneration of the cost auditors for the financial year ending March 31, 2025.

The details of items 4, 5, and 6 are provided in the notice of the AGM circulated to shareholders along with the explanatory statements thereof.

Now, I request the shareholders who have not yet voted to cast their vote. The e-voting will remain open up to 15 minutes after the end of this meeting, or the casting of the last vote, whichever is earlier. Now, I open the floor for the questions and answers session. I would request the moderator to unmute the registered speaker shareholders one by one.

Nidhi Bisaria: Moderator, please unmute the first speaker shareholder.

Moderator: Alright Ma'am. The first speaker shareholder is Mr Srinivas.

Nidhi Bisaria: Mr Srinivas, can you please switch on your camera?

Srinivas: Hello.

Nidhi Bisaria: Yes Sir, you are audible.

Srinivas: My questions are: are there any plans to enter in other building material production by the company, like bathroom fittings, floorings, bathroom tiles, flooring tiles etc.? The second is- now there is a trend of gated villa projects, which are, there will be a number of villas with the same design and same structures, which can be produced in mass at an offsite and assembled onsite, like a modular building, which we can observe in China etc. I suggest that our company can also explore the same possibilities in India.

The previous two quarters, our company made a net loss. Why did Directors recommend dividends instead of using the funds for growth of the company?

Does the company have any plans, which are capex or expansion plans? These three are my questions. I think the Board can think of these. Thank you.

Nidhi Bisaria: Thank you.

Moderator: The next speaker is Mr Keshav Garg.

Nidhi Bisaria: Mr Keshav, can you please switch on your camera?

Keshav Garg: Thank you for the opportunity. I will ask my questions. What is the outlook for FY 25 in terms of topline and bottom line? Sir, my next question would be regarding our margin differential and negative margins and divisions. So, what are the reasons why Parador is continuously being negative? If you can just specify some specific points and when can we see a turnaround in this? Similarly, in our building products, our margins are sub 5% vs big block who is doing double-digit margins when our capacity is similar. So, similarly on this, what are the reasons? We are not sure what is the reason for the same. Sir, in our polymer solutions, we make around a 3% margin whereas Prince Pipes and other people make around double digit, 12-13% margin. Similarly, what is the reason for that and when can we expect our margins to converge with at least an industry average? Sir, Parador has been making losses for a lot of time and we have done another acquisition for the top line. So, what is the sense or the minimum IRR/ROC that we can expect from this acquisition, and do we have plans to sell Parador or can we expect a major turnaround this year? Sir, when do we reach our historical 9-11% of margins and what are the primary reasons for it being in the 4-6% range for the past two years? Sir, if you could give the segment wise margins that we have currently in our roofing flooring, polymer, and building divisions, and where can we expect it going forward in the next 1-2 years? Sir, what kind of incremental revenues can we expect from the Topline acquisition in FY25? Can we expect a straightaway doubling of our revenue in the polymer segment? Sir, our long-term borrowings have increased from Rs 204 cr in FY 23 to Rs 320 cr in FY 24. So, if you could just help me understand that. Sir, what kind of segment wise volume growth do we expect in FY 25? Sir, what gives us confidence apart from the acquisitions and the same guidelines that you have been giving us that we can achieve a billion-dollar topline in the next 3 years, similarly when it has been flat for the past 3 years, though there has been some growth by the industry participants? And what will be the key drivers for

us to attain this growth and target? Sir, what kind of CAGR can we expect across the four segments in the coming 3-4 years? Sir, what are the major threats or headwinds that we can think of that this target will be missed or we won't be able to achieve this kind of target? What is the steady state of margin that we can expect on a consolidated basis? Sir, in our annual report we have mentioned that the worst in the polymer and flooring segment is behind. So, what kind of margin improvement can we expect from this? Sir, it would be very helpful if you could give us an idea of where we went wrong to where we can go as well as some kind of margin expectation going forward. Similarly, on Parador, which has been a kind of asset misallocation rather than proper allocation. So, on that, can we expect a major turnaround this year? Or is there some kind of pain going forward for the next 1-2 years? and we will rather be well selling it off and building our market share? In the roofing segment, we are the market leader and building on that.

Moderator: Sorry to interrupt here. We have more speaker shareholders. So, we can move to the next speaker shareholder. We have Mr Praful Chavda, our next speaker shareholder.

Nidhi Bisaria: Mr Praful, please switch on your camera. Is he there moderator?

Moderator: Yes, Ma'am.

Praful Chavda: Hello, *meri aawaz aa rhi hai?*

C. K. Birla: *Aa rhi ha ji, aa rhi hai. Namaskar.*

Praful Chavda: *Chairman Sir, Birla Ji, saathi shareholders, mera naam Praful Chavda hai. Mein Hyderabad se bol rha hoon. Page number 16 aur 17 mein aapne products ka photograph diya h. Par aapka research and development center kabhi socha ke ye production theek kiya ya nahi h? Ya market mein aap kabhi customers se kabhi pooche ki is product mein kuch change karna chahiye? Customers mein batanun ki aapne jo bataya h pipe, colorful pipe hai. Generally, jo transparent pipe rahe to accha rehta h ki pipe mein kahan kachra fasta h, pipe saaf karna padta h. Generally, mistri ko bula ke poora pipe katna padta h. Lamba chauda kaam hota h. To future mein agar R&D department agar transparent pipe kare to apna business double ho sakta h, aisa mein manta hoon. Aur page number 18 par paani ka tanki, 1000 liter, 5000 liter, 10,000 liter ka aap jo banate*

hain, Sir, kabhi ye aapka research and development center inko saaf karne ke liye utre hain kya? Nahi utre? Isko andar safayi karne ke liye 10 ya 12 saal ke bacche ko jana padta h. Agar kuch accha patla dubla aadmi h to andar jaa sakta h. Nahi to nahi jaa sakta h. To saaf safayi karne mein bahut takleef hoti h. Iske badle aap kuch aisa suggestion lao R&D department ko kuch isme karna chahiye taaki doosri jagah par aisi cheez apne product mein nahi milni chahiye, taaki apna business accha chale. Sir, page number 12, profit after tax, hamara Akshat Seth, Managing Director and CEO, page 12, me acche se aa gye. Last year, Rs 97 cr ka profit bata rhe the. Ye saal Rs 35. Well done. Akshat Seth ka photo to accha aaya par mein aisa kuch kaam karta hoon ki profit one-third times kar data hoon. Rs 100 ke profit ko mein itna kam kar data hoon to mujhe to photo daale me sharam aati. Par isko sharam bhi nahi aayi photo daale. Ye bahut buri baat hai. Aap kuch kar nhi sakte ho aur aapki photo aati hai, to achha nahi. To kuch kar ke batao. Bonus deke, financial dividend deke, business mein profit jyada batayein to theek rehta hai. Sir abhi maine dekha hai ki last 4 years mein kitne Company Secretary change hogaye, kitne Managing Director change hogaye, kitne CFO change hogaye, iska aapke pass record hai toh mereko bataenge. Abhi maine page number 40 pe dekha, Board of Directors, Amita Birla, new appointment. Sunil Sir, new appointment. Janat Shah, new appointment, Nidhi Killawala, new appointment, Ajay Kapadia, new appointment, Nidhi, Company Secretary, new appointment. To sir itne saare new appointment hain. 50% zyada, yaani 14 mein se 9 toh new appointment diye hai. Toh Company kya kar rahi hai Sir, jaab aap, kuch company ke Chairman ho aur aap khudh dekho ki itna saara kyu ho raha hai. Sir Company Secretary, aaj tak Company Secretary, har ek Company Secretary hum se baat kiya. AGM se pehle phone kiya, par jo naya madam aya hai phone bhi nahi kiye, humne 2 baar mail kiye keh please call me, please call me, Mujhe jyada likhne ko nahi ata English mein itna likhe, no reply. Last mein kal Mujhe Mr. Kishore Saab se phone number mil gaya mere pass Mr. Kishore Saab ka, mein Mr. Kishore Saab se baat kari toh unhone Company Secretary se baat karwai, tab tak baat bhi nahi ho sakti. Yani CFO, Managing Director ya Chairman Saab aap Company Secretary ko direction dijiye.

Moderator: Sorry to interrupt you Mr. Praful Chavda, we have more speaker shareholders. We can move to the next speaker shareholder; our next speaker shareholder is Mr. Manoj Kumar Gupta.

Moderator: Mr. Manoj Kumar Gupta please unmute yourself and speak.

Mr. Manoj Kumar Gupta: Hello.

Mr. C.K Birla: Namaskar, kaise hai aap?

Mr. Manoj Kumar Gupta: Mein theek hu, aap kaise hai?

Mr. C.K Birla: Bus theek hai, Boliye kya bolna hai aapko.

Mr. Manoj Kumar Gupta: *Bus mein Mr. Chavda ki tarah criticise nahi karna chahta, kyunki Company aachi kar rahi hai, ab unhone kahase kya itna nikala hai, mein toh janta nahi balance sheet maine bhi dekha hai. Ab agar Company 5,000 litre ki, 10,000 litre ki tanki banayeagi toh usko safai karne keh liye capable aadmi toh chahiyega. Aur yeh toh Company ki jinmedari nahi hai customer ki jinmedari hai ki tanki kisse saaf karwainge. But I thank to you for the excellent result of the Company for the year 2024 and thanks for the dividend increment final and I thank to the Company Secretary and Team for their excellent service and help us to join this meeting through VC. And sir what's your future plan, have you any plan to split the share, either 2:1 or 5:1, to increase the market liquidity and capitalisation? That will be a good reward for the investor, I will not suggest you issue the bonus shares. But I can suggest you because you are a liberal Chairman, you hear the people and you like to face the shareholders so we can request you to split the shares either 2:1 or 5:1. And Sir who is the latest competitor in this business and recently you have acquired the pipeline, pipe fitting business, and now the pipe fitting business is getting more success, several new companies are coming. So, what's your future plan in that business and have you any plans of acquiring a bathroom fittings business in the country to make the HIL a full fledged household Company like Asian Paints? Asian Paints ko kaccha ghar deh dijiye who Pura ghar bana keh deh denge Sir, waisa Hyderabad Industries bana dijiye, keh yeh jo 10 Rs ka share haina jaise Asian Paints aaj se 10 saal pehle, 10 Rs ka share aaj 10 Rs ki value karenge to 30,000 Rs hogaya. Toh aapke leadership mein aisi isko household Company banaiye ke investors ko, employees ko return mile aur ek value acchi badhe keh jise ki iska bhi price Asian Paints ki tarah badhe, isme sab house ke layak sab business ki koi bhi Nayi building bane toh who, aur Sir maine toh kabhi pipe fitting mein suna nahi ki transparent pipe, kyunki yeh sab aap ke jitne bhi competitor hai Jo pipe banate hai who sab colourful pipe banate*

hain. So, keep on your business and take the Company on new heights. But itne request hai ki Sir aap Calcutta aaiye aap. Aap milte nahi kareeb 8-9 saal se, milne ki bahut iccha hai ke apse mile, aur Delhi jane se pehla.

Mr. C.K Birla: *Aap se milenge, milenge. Theek hai milenge aap se kabhi.*

Mr. Manoj Kumar Gupta: *Theek hai. I wish to God for your health and prosperous, safe, long life, thank you.*

Mr. C.K Birla: Thank you, thank you. Next.

Speaker: Speaker shareholder 5

Moderator: Our next speaker shareholder Mr. Mani Sundaram A V has not joined we can move to the next speaker shareholder, Mr. Suresh Chand Jain.

Mr. Suresh Chand Jain: *Hello, awaaj a raha hai Sir? Adarniya Chairman Sir Sir aap neh Jo Chair-message kiya bohot hi sundar bohot hi saral bhasha ke andar hame samjhane ki koshish ki aur hame aap ke ek-ek word samaj mein aya hai sir. Aur Sir jab bhi aap Hyderabad aye the tab maine apse request kiya, jab pehli baar aye the. Sir har saal aya karo aur aap neh mujhe baadme har meeting ke andar aapne aya aur hame anubhav karne ka shubh avsar jo pradhan kiya uske liye aapko tatha aapke team ko mein bohot bohot dhanyawaad deta hu. Sir Amritmohotsav ka shubh avsar hamare hath se nikalgaya. Corona ka sashan kaal tha jiske chalte hum aap ka maan samaan, abhinandan nahi kar sake. Aapki khubsurat si motio ki mala hamare pass hi hai, hum aapko pehenana chahte the pur corona ka sashan kaal ke andar shubh avsar nahi mila iska hume ranj hai. Sir hamare sathi Kamal Kishore bhi mere sath mein hai.*

Mr. Kamal Kishore: *Hello Chairman Sir. Mera naam Kamal Kishore hai. Mein bhi isi ke sath attendi kar ra ha hun. Thoda technical problem chal raha hai. Mere 8 va number hai, 8th number. Toh mein isi cell se baat kar raha hu sir. Sir Chairman's speech mein aapne sab kuch bata diya aur aapka Secretarial Department mein kabhi bhi kuch news hamare ko mil jata hai. Secretarial Department ka service bahut accha hai. Sir mein 2 question karta hu. Sir mein is Company mein 40 saal se shareholder hu. 40 years, Sir abhi tak hamara bonus nahi diya hai Sir. Bonus dijiye. Aur iska visit kariye. Sir I am a small investor, aaj ki tareekh mein meri family mein 85 shares hai sir, just Rs 6000 mein khareeda kyuki market mein*

rumour tha Rs 10,000 jayega. Abhi kam se kam 50% discount hua hai Rs 3000, is share ka bohot bhagwan se prathna karte hai, bajranbali ka naam leke ki hamara share price a jao. Company ka bhi market cap badhega aur hamara paise bhi return milega. Me chahta hu Company se koi accha kaam kare saab, kum se kum chote logo ko share ka return mile. Pur aap dividend toh dete hai interim toh dete hai, final bhi dete hai aur naye MD Jo aye hai mein unko welcome karta hu, jaise Dhirup Sahab ne company ko development kara, aaj new MD appointment hua use double improvement karke bataye to Company ka naam hota hai aur shareholder ko return milta hai. Aur isi tarah video conferencing rakhiye Sir. Suresh Chandra Jain and Kamal Kishore from Hyderabad. Mr. C.K Birla Ji aapko Dusshera Deepawali ki sabko shubhkaamnaye hai. Aur isi tarah video conferencing rakhiye. Chote logo ka shareholders ka dhyaan rakhiye. Secretarial Department ka services bohot Accha hai Sir Sahab aur Venture Capital ka bhi very very good service. Thank you.

Mr. C.K Birla: Thank you. Aapko ek hi request hai ki jab hamare MD, CFO Saab se miliye Hyderabad mein inke upar aap jor se boliye Company ko aur accha she chalaye toh dekheyega phir kitna asar hoyega. Aapki shubh kaam na rahegi toh aur dekhiye bohot accha chalega bonus bhi ayega mane jab time theek hoga toh jarur yeh log sochenge. Aur apko yehi hai ki inko bhi ja karke boliye inlogo ko Company Secretary ko bhi boliye ke aapko milwayenge inse, ye Hyderabad hain. Bahut wahan rehtein hai toh zarur se milyega inse aaplog.

Speaker: Speaker shareholder 7.

Moderator: Our next speaker shareholder is Mr. Bajaj. Sir, could you please switch on the camera?

Mr. Badri Vishal Bajaj: Good Afternoon.

Mr. C.K Birla: Good Afternoon.

Mr. Badri Vishal Bajaj: Good afternoon. C.K. Sir, Namaskar. I am Badri Shah Bajaj and almost every meeting in person we have attended and I was shocked, I had sent an email to the company Secretary also, Nidhi Ji ko that Akshat Seth about whom earlier shareholders also have spoken, and he said in his write up at page 14 that it will be a glorious US\$1 billion company in 3-4 years, I just multiplied and in today's rate it is Rs 8400 crores revenue generation. I presume he can

define the growth strategy. Simply writing doesn't work because as per the earlier shareholder all the last four years, anyways Akshat is not responsible but earlier executives were responsible, so for the past four years our revenue has been Rs 3400 crores average, and all the four years if you take, even also our margin revenue, has gone down. The margin has come down from Rs 260 Crore to just Rs 35 crores, now in this extrapolation how do you extrapolate that Rs 8400 crore revenue because you are in home building solution and you are diversifying. You are adding one by one welcome, but all your additions, all your components of home solutions except Charminar and Aerocon they are late entry, and you have enough competition. If I suggest you, I assure you no. of companies registered as per our average turnover should there much more competitors in line for the year. You have a tough margin. I don't know how you will achieve 8400 crores. On this, as an analyst I can discuss and sit with Mr. Seth, if you permit, I will come to you in Hyderabad only, welcome for that. Now C.K Sir just recall 2018 AGM at your guesthouse when Parador was just thought that you were taking over and all in the AGM, I was the first speaker shareholder in person who asked that this product of Parador is not tested in India, though Parador is giving about 38 to 39 percent turnover revenue to you, but all 2018 till this year it is going in losses. The Company is being in losses because of Parador, because your customers and your supplies are around the world except India and the losses are adding to your revenue, profit margins, and all borrowings. So, I can discuss that also, but at that time in 2018, C.K Sir, you have said that, Bajaj Saab asap mein Ambassador ko shore kiya the Calcutta mein at the time also I had the same ambition but ambition was there and I proved it and now I am putting the same question repeated, are you going to prove under your leadership or it will continue. Now about revenue generation, I told Sir, your borrowings have gone up year on year almost 90%. So that also is the load on your system around Rs 775 crores may be you are again going for acquisition maybe in Orissa and other places. There is another pressure. Capex also your planning of Rs 150 crores. So, all this RoE which is almost, it was four years back 25, it has come to almost zero. Now think of the shareholders who are almost 50 percent retail investors not promoter holding but their value is market capex has fallen as earlier shareholders have told. Sales growth is very poor, EPS has fallen from Rs 350 to only Rs 46. So, I have a lot of things as an analyst, if you

permit me, I can come visit to your office. Provide any slot and I will be very much thankful to you because as an analyst, home solutions business, I have analysed almost one dozen companies and the failure, why your failing compared to others, I can discuss. So, please look into that and other shareholders were requested for your equity is hardly Rs 8 crores whereas your reserves are Rs. 1245 crores.

Moderator: Sorry to interrupt you sir, we can move to the next speaker shareholder. Our next speaker shareholder Mr. Ramesh Shankar Golla. He has not joined. So, we can move to the next speaker shareholder. Our next speaker shareholder is Mr. Reddeppa Gundluru.

Mr. Reddeppa Gundluru: Thank you moderator for this opportunity. Yeah, am I visible Sir? C.K Birla Sir Namaste Sir.

C.K Birla: *Namaste, Namaste.*

Mr. Reddeppa Gundluru: *Akshat Ji, aap ko bhi namaste.*

Mr. Akshat Seth: *Namaskar.*

Mr. Reddeppa Gundluru: Sir Mr. Chairman, MD and CEO Mr. Akshat Ji and Birla Ji and Company Secretary Nidhi Bisaria Ji, and all other Directors, Managing Director, Scrutinizers, Auditors, Good Evening, Namaste Sir, I am very happy to attend this Annual General Meeting of HIL Limited. Sir, as a shareholder I am very happy about the Company's performance last financial year and also received a physical Annual Report in advance. I have gone through it and I found there is wonderful corporate governance, numbered figures are right there. The quality of annual report is wonderful, Sir. Special thanks to the preparing departments, KMPs. Sir, Birla Sir, we used to attend physical AGMs in Hyderabad. That time it felt, feeling like a festival so that was the way of doing the AGM Sir very wonderful Sir. We have very memorable AGMs, physical AGMs. I also have a very good photograph with you Sir. A very happy and proud shareholder. Sir, we have very strong financial numbers, thank you Sir for your continuous bread and butter to us. You are doing wonderful, Sir, and also there is a very wonderful CSR is wonderful. Green initiatives are wonderful, eco-friendly products being very wonderful. Sir here my question- What is your vision for the next 2- 5 years? Second question, Sir please comment on bonds. The third question is sir Capex.

Please comment on Capex. The third question is how demand momentum is looking in this current financial year. Sir, fourth question is what is the budget impact on our Company? What is the global outage impact on the Company? What is the geopolitical war impact on my Company because our business is all over global so what is the geopolitical impact on our Company? Sir, I am also a very oldest shareholder, sir and financial advisor in stock and financial advisor from Hyderabad. So, earlier I have purchased at the rate of below Rs 400 now I am enjoying the profits. What a wonderful company you are what a wonderful leader you are. What a vigilant leader you are Sir, yes, some officials are changing. MDs also, everything. Change is always better Sir we welcome it another question is? Sir, another question is please comment on my Company's lowest coverage ratio what is it? Please throw some information on this, another question identified is my Company has delivered a little bit of poor sales growth of 9.25 % CAGR. So, what is the strategy and what is the plan to increase more? Next question, Sir my Company has had a low return equity of 9.51% for the last three years. Sir, pls comment Sir, and also Sir. Okay Sir. I am done Sir. I don't want to raise any more questions I will side with our Company Secretary, thank you Kishore Kathri. Kathri Ji you are always welcome, and always reachable to shareholders, our Company Secretary Bisaria Ji you also reach the shareholders. Please maintain good relationships with the shareholders. Madam my Company is a very good image *hai isiliye mein aapko request karta hu ki sab ka suno, sab ka yeh karo isliye haina humlog shareholders sab happy hai ji. Chavda ji jayda thoda naraz hua shayad unko bhi mein Hyderabad sheher mein bus rahe hai unko convey karta hoon. He is also nice person, and Chairman Saab my request is Mr. Bharatraj is online Sir, with your permission Sir I request you to ask his name on the unmute name, Sir. Sir finally I am concluding, I support all the resolutions and no more other questions, financial questions for you. I wish good health to you not only you, Sir the entire Board of Directors and all the hardworking employees, KMPs Company Secretary, Kishore Kathri ji and all Hyderabad employees also and we have 100% faith in you, Sir, C.K Birla Sir. Aap ki leadership mein ek bhi black spot nahi hai Sir, nahi hai sir, aap ka quality bohot important hai Sir isliye humko wealth create karke date hai Sir, but I am also a proud shareholder, Sir, isiliye dhanyawaad Sir, jyada nahi waqat lena cha ha raha Sir. Bharatraj ko unmute karna, Sir.*

Nidhi Bisaria: *Moderator, is there any speaker shareholder left? Can we close the question-answer session now?*

Moderator: Yes.

Mr. C.K Birla: Ok, Thank you. Mr. Gundluru has talked about budget impact, but I don't think there is. In a way, it is good for the Company with more spending on education, or good infrastructure which means our product demand must go up so I think it's in the right direction. International impact, definitely there is an impact because of war in various parts of Europe and some of the raw materials come from that region. Supply chains have got affected that's why we had problems last year and I think it is a little better but certainly there is a lot of impacts because the freight rates have gone up five times and this was all very sudden and, in a few weeks, it's going up and down. So, these challenges we have to live with but I think we are working in the right direction. Regarding the low return on equity, I take your point. Definitely, our biggest priority is how we improve our return on equity and return it to shareholders. A lot of work is going on and I must say that the team that we have in place is there already to take the Company to the billion-dollar mark and I am very hopeful that things should improve. Mr. Manoj Gupta talked of, Mr. Kamal Kishore Jhawar, and Mr. Suresh Jain talked about ownership. I think when the time is appropriate the Board will look at it so we take your suggestion. Same with Mr. Manoj Gupta talked about the split of shares we will see at the appropriate time we will look at that. Competition pipes in all buildings very good suggestion. I wish we could do that, have pipes in all buildings that will be a great thing for the company because there is competition. We are still in the infant stage there is competition from big players that are there Astral, Ashirvad, quite a few others but I think HIL pipes are increasing and with this acquisition also, the turnover of the pipe division will double from what it is today. So, these are the right steps that we are taking. Of course, Mr. Manoj Gupta. Mr. Praful Chavda I think you have been a shareholder I don't know for more than 40 years and you attend most of the other meetings also. So, I am sure you know why Directors have been changed, new Directors have been appointed because the old Directors tenure terms are over. That's why new Directors have come in, that's the law and the other officers, I can tell you that we have had no major churn. Yes, the CFO has been

with us for the last I don't know how many years, 7 years. So, he has got a promotion. The Company Secretary has also been in the group for the last 6 or 8 years,. Akshat has been in the group for 10 years. So, they are all tenured people now some may have been changed but it's not that they are all new people, or we have hired them from somewhere. They are all from within the group and I can tell you that if you have any problem with the Company Secretary, I am sure she will, she is very good in responding to shareholders. She was the Company Secretary for Orient Cement before she was with HIL, So, I don't know if she may have interacted with you, Mr Chavda. Nidhi, Do you? So, please interact with them.

Company Secretary: I will, sure Sir.

Mr. C.K Birla: Explain to them we may go to Hyderabad, one of these days. Meet all the shareholders over there. It is a good idea. Mr. Shrinivas Rao has asked a lot of questions, and you asked your first question, do you plan to enter into other building materials production. We are continuously evaluating opportunities that come into the home and building space and our immediate focus is to grow our construction chemical, building solution, pipe, and fittings portfolio. But adjacent spaces we are also always alert but as I said our focus is at the moment on these pipes and fittings, construction chemicals, and building solutions. Next, he talked of a gated villa project. For this, we have a panel in our building solution which we have done prefabricated in some of the places in the past, and the management team will, I will ask my management team to connect with you. You are based in Hyderabad I think, Mr. Shrinivas Rao.

So, we will, I'll ask our management team to connect with you and on your talk of recommending a dividend of 2 quarters at last. In business, something happens up and down maybe 2 quarters may be up and down but if you look at our philosophy, we have always been giving dividends and I tell you I believe in that and I think we have enough internal accruals, which we can fund capex and growth. So, both can be taken care of and that is the philosophy and policy we have followed, and we have been able to maintain this. Mr. Keshav Garg has a lot of questions. I think we can spend a long time; I will try and answer some of them but again Mr. Keshav Garg as you said you are in Hyderabad, I will request you to meet the management team, arrange for time and they will be pleased

to meet you over there and take you through all the answers for the questions that you have. Outlook, I can't give you for 2025. This is forward looking. I think in the investors call, we share it. So, I am sure you are there. Some of you may be there on those calls. But what we have said we plan to grow 2X in the next 3 years and we have communicated a details around it in the last few investor calls and I am requesting you to look at it, just have a look at that but just let me tell you, our focus as I said earlier is on pipes and fittings and construction chemicals and we are investing ahead of time on branding and marketing efforts because that is what is required as we grow this has to be strengthened. Our sales channel has to be strengthened and we are also working on developing innovative products. So I am hopeful that things will look better in the future. Parador, after the pandemic it was doing extremely well but the developers in Europe, what has happened the whole of European market has taken a big suffering of everything, but I can tell you the work is going on developing newer markets, as I said, in the North America, Middle East and some other countries and if the product innovation that they are doing. I am very hopeful that it may take a little bit of time, but a lot of work has been done on cost and is being done. But in long term I think it is a good. Fairly good indication that this should do well. I fully agree with you, our margin has come down I am also equally concern as you are. Polymer margins last year have been a very volatile year with the pricing going up and down which has affected margins considerably, but I think now we are on a steady growth path and the margins in my view, that has been my focus also, how to improve the margin in the pipes business and I think it should improve in the coming quarters. But coming back to Parador, yes definitely things are very difficult in Europe, but again, I think with this new market, new sales team in place and restructuring that's happened over there, cost being brought under control. In next couple of quarters, you should see better results. I think operating margins, we already have these figures you can see in the report. It is 13.5 of roofing solutions, 9.5 of building, polymer 6, flooring has been -1 that's a bit of a challenging one but I think it will improve. Polymer also I am hopeful we will improve this, also, with scale. You talked of the Crestia's acquisition, that will give us Rs 300 crores incremental revenue this financial year. Long term borrowing has gone up has gone up partly to fund this acquisition, but I think I am very hopeful that we will bring this down in the

current year itself. Roofing will give us, I would say a sort of single digit growth this year, but other businesses will have double digit growth in the current financial year. That's what I think of. On the US \$1 billion top line I can tell you yes as Mr. Bajaj pointed out if we have Rs 3300 crores, we have to reach Rs 8400 crores and I think the plan is there in place that in the next 3 to 4 years how do we bring it up to US\$ 1 billion and I am hopeful, even a few million here and there, up and down but I am hopeful that we will be in that region. I think we are taking lot of steps. The leadership team is already in place. In fact, the leadership team if you ask me is already in place for billion dollars. I have been saying that the team is there and now we are to just go after the business and this new thing that we are doing on the pipes and fittings and construction chemicals and the other business building solutions also, we should be close to that number. Regarding growth I have already talked of pipes and fittings and construction chemicals and our acquisition of Cresta, all this should give us good growth in the next 4 years. Major threats basically are the external factors, commodity prices, supply chain disruptions that has been there, but we work on differentiating our products to ward of the competition and also trying to get away from commoditization of our products. So, that work is going on.

Steady state margins are expected in the low to mid teens that should be a good if we can get that. Polymer solutions have to come to double digit margins scenario and that's what we are working on. I am hopeful we will come to that. Mr. Bajaj talked of Mr. Akshat Seth and his team. I can reassure you; we have been in this business for years. HIL in the past years also has once in a while ups and downs but we always come out stronger and I am very hopeful that whatever I have said already in the past, we will come out stronger, a leaner organization capable of taking is forward to the billion-dollar mark. For years, yes the revenue has been flat and the prices have been going up and down, but I expect the raw material prices have been very volatile, I can tell you. And there has been for the last year, there was some pressure on demand, especially in the rural areas, but I am seeing this year, first quarter was a difficult quarter with elections and the heat and everything but with the rains coming in things are expected should improve in the rural economy and I am very hopeful of that. Mr. Bajaj talked of borrowings. Yes, our borrowings have gone up for acquisition that we have done and we have done capex but I am hopeful that this borrowing will

come down and our ROE should go up. You talked of Parador, and I remember what you said. Let us talk about it. That things should look better that's all I can tell you. And with this I think have answered all the questions that were raised. I hope I have answered them.

So now, I would again request the shareholders who have not cast their vote, who are yet to do so, the Company has appointed Mr. Mohit Gurjar, P. S. Rao and Associates, practicing Company Secretaries to act as a Scrutinizer for scrutinizing the remote e-voting and the e-voting process at the AGM in a fair and transparent manner. The results will be declared based on the consolidated scrutinizers report received by the Company considering the votes passed by the shareholder participating in this AGM, together with the e-voting already done by the shareholders during the remote e-voting period. I hereby authorize Mr. Akshat Seth, Managing Director and CEO and Mrs. Nidhi Bisaria, Company Secretary and Compliance Officer of the Company severally to receive the scrutinizer's report on e-voting and declare the results of the voting on stock exchange within 2 working days from the end of this meeting. The results would be published on the Company's website and also uploaded on the websites of the stock exchange i.e., NSE and BSE. The resolutions as set forth in the notice shall deemed to be passed today i.e. July 30, 2024, subject to be receipt the requisite number of votes.

I once again thank all the shareholders for participating in this AGM. I also thank all the Board members and Auditors for their participation. I hereby declare the proceeding of this AGM as closed. Thank you.
