

CK Birla Group



A WORLD OF POSSIBILITIES



HIL LIMITED

(Formerly Hyderabad Industries Limited)

ANNUAL REPORT 2012 - 2013

A WORLD OF POSSIBILITIES



Excellence is not just about scaling new heights. It is also about having a broader outlook and exploring new avenues. Over the years, HIL has made itself synonymous with growth. But now it is time to reinvent itself and expand its horizon. It is time to add new dimensions to growth. It has a world of opportunities to explore and only the sky is the limit.

OUR VISION

To sustain our domestic market leadership position and become a global provider of building products and solutions, with a commitment to support Green Buildings and Habitats by supplying environment-friendly products and by following green and safe practices.

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BOARD OF DIRECTORS

Mr. CK Birla, Chairman
Mr. Krishnagopal Maheswari
Mr. Shreegopal Daga
Mr. P. Vaman Rao
Mr. Yash Paul
Mr. Abhaya Shankar, Managing Director

Company Secretary: P. Rajesh Kumar Jain

Auditors: S.R. Batlibai & Associates LLP

Solicitors: Khaitan & Co

Bankers

State Bank of Hyderabad
State Bank of India
Central Bank of India
State Bank of Mysore
State Bank of Travancore
HDFC Bank Limited

Registered Office

HIL Limited
Sanathnagar, Hyderabad – 500 018 (Andhra Pradesh)

Works

Faridabad: Sector-25 – 121 004 (Haryana)
Jasidih: Industrial Area – 814 142 (Jharkhand)
Hyderabad: Sanathnagar – 500 018 (Andhra Pradesh)
Thrissur: Mulangunnathukavu – 680 581 (Kerala)
Sathariya: SIDA, Jaunpur Dist. – 222 022 (Uttar Pradesh)
Dharuhera: Plot No. 31, Rewari Dist. – 122 106 (Haryana)
Wada: Musarane Vil., Thane Dist. – 421 312 (Maharashtra)
Golan Village: Valad Taluka, Tapi Dist. – 394 640 (Gujarat)
Thimmapur: Mahaboobnagar Dist. – 509 325 (Andhra Pradesh)
Balasore: IDCO, Plot No. Z-2, IID Centre, Somanthapure (Orissa)
Chennai: Kannigaiper Vil., Tiravallur Dist. – 601 102 (Tamil Nadu)
Vijayawada: Plot No. 289, IDA, Kondapalli – 521 228 (Andhra Pradesh)
Dera Bassi: Village Saidpura, Dera Bassi - 140 507 (Punjab)

Wind Power

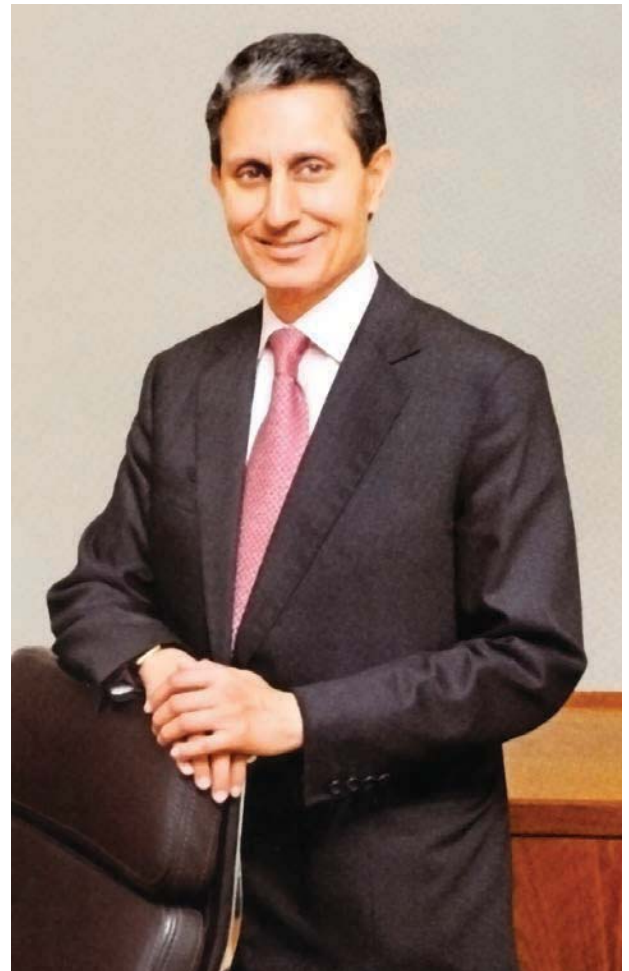
- 3.6 MW (2x1.80 MW) at Kutch Dist., Gujarat
- 1.25 MW near Coimbatore, Tirupur Dist., Tamilnadu
- 2.5 MW (2x1.25 MW) at Jodhpur Dist., Rajasthan

CHAIRMAN'S MESSAGE

As we continue scaling our existing business to new heights, our endeavour is to look at new business opportunities for accelerating growth in the changing economic and business environment.

HIL's growth story in recent past has been robust in line with its strategic objectives and the focus continues to remain on achieving excellence in all fronts.

- C K Birla



MESSAGE FROM THE MANAGING DIRECTOR



In its pursuit of excellence, HIL has traversed a challenging journey of transformation which so far has been more than satisfying. HIL is soaring higher with each passing year. It has recently earned the coveted status of Superbrand, 2013/14.

Now, it is time to make the journey more exciting. While we consolidate our existing operations it is equally necessary to identify new business opportunities. Our excitement and passion for new challenges will drive us closer to achieving our dreams.

- Abhaya Shankar

HIL GETS SUPERBRAND STATUS

HIL and Aerocon have been awarded the status of Business Superbrand and Consumer Superbrand for the year 2013-14, respectively by Superbrands India - an independent organisation on branding.



A Superbrands council comprising of industry experts, practitioners and consumers select the top brands under various categories and award them the status of Superbrand. A stringent two levels of scrutiny is carried out which includes an independent survey amongst relevant audience and an evaluation on the basis of awareness, market dominance, longevity, goodwill, customer loyalty and market acceptance done by the council. HIL will receive the award in a glittering function to be held in Mumbai.

The recognition will help HIL create a brand differentiator in the market. Research conducted by the 'Superbrands' has shown that amongst other awards given by different bodies, Superbrand is not only Top of the Mind, but the status is also suggestive of a 'trustworthy brand'.

BUSINESS SUPERBRAND



CONSUMER SUPERBRAND



HIGH ON GROWTH, LOW ON CARBON

HIL is a perfect example of how being environmentally friendly not only works wonders for the world around us but makes for a healthier balance sheet too.

The company realises that green building technology is a futuristic idea for the planet and is pro-life. The focus of the company has now shifted from being a mere manufacturer of products to a “Comprehensive building solution provider”, making it a one-stop shop for its customers.

As a responsible and conscientious business house, the company has chalked out a “5 Way Green” strategy to contribute towards sustainable development. Under the strategy, the company manufactures recyclable and reusable green

products; there is no by-product and no pollution during the manufacturing process.

HIL has a captive consumption of wind energy. It is switching from fossil fields to agri-fields wherever possible.

HIL's Golan plant has become the first in the building materials sector in the country to receive the prestigious Greenco Gold rating.



PROJECT UDAAN - ASPIRING TO SOAR HIGHER

The journey towards excellence in all functions to achieve a common goal began with a transformation journey called “Udaan”.

Each and every employee took a pledge to be a champion to surge ahead with target in focus and to rise above conventional limits. The launch plan included all the process owners and stakeholders. A cross functional team was formed and a huge ‘idea generation exercise’ was conducted. We received

more than 200 ideas which were screened based on major focus areas and prioritised keeping the objective in mind. The best ideas were then taken forward to the development and implementation stage by the key stakeholders.



RESULTANT EFFECTS:

In-depth market mapping was done with focus on width & depth of trade channel. The sheeting industry grew by 3% and the company registered over 5.5% growth. We could garner a market share of approximately 20% in sheeting business and revenues grew from 80.5% to 82.5% in a turbulent economy. The Aerocon-Blocks business grew by 26% in volume and 34% in revenue asserting leadership position.

As a part of the journey, an Udaan Tower which acts as an ATC (Air Traffic Control) station was launched. It controls and guides every function/department, accelerates the pace at which work gets completed by clearing out the bottlenecks ensuring smooth functioning of work and thereby responding to the market at the shortest possible time leading to increase in sales and customer retention. A nationwide internal campaign was run with great success.



SALES & MARKETING INITIATIVES

HIL has 13 plants, 53 depots, over 200 trained franchise and a very strong network of over 4000 strong trade channel partners spread across the country to service customers in a short span of time.

The strategy drawn up was to be a market leader and enhance leadership position, add more related products and increase 'basket of offering' to the consumers. As industry leaders HIL had to drive the category and create a differentiation for itself. The brand vision was clearly spelled out: to be the leader in the category in terms of market share and revenue, be a premium brand, perceived and seen as a service provider, induce a gene code of upgrading lifestyle, take 'green' platform. Series of innovative communication and activities were carried out.

The challenge in a low involvement category was to build a brand proposition that truly differentiates Charminar from other brands. Thus, the new brand proposition - "Tarakki ki Chaon Mein" was developed to position Charminar as a brand that stands for prosperity.

An aggressive campaign, including a Television Commercial, was launched to communicate the new brand proposition of **Tarakki Ki Chaon Mein**.

