

THE WILL TO EXCEL



HIL Limited
Annual Report
2013 - 14



The Will to Excel:

What sets apart the forward thinking companies from the also-rans? At HIL, we believe it boils down to how tirelessly a company dedicates itself to excellence, in every aspect of its operations – no matter the circumstances.

The previous year saw the industry experience its share of trying times: with a turbulent economy and tough market conditions. While these circumstances tested the best of firms, at HIL we never allowed our focus on excellence to relent.

It is this “Will to Excel” that we’ve chosen to celebrate in this year’s annual report, as a perfect encapsulation of our efforts in the year gone by.

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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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. CK Birla, Chairman

Mr. P. Vaman Rao

Mr. Yash Paul

Mr. Desh Deepak Khetrapal

Mrs. Gauri Rasgotra

Mr. Abhaya Shankar, Managing Director

Chief Financial Officer: Mr. KR. Veerappan

Company Secretary: Mr. 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

The Hongkong & Shanghai Banking Corporation Ltd.

Registered Office

HIL Limited [CIN : L74999TG1955PLC000656]

Sanathnagar, Hyderabad 500 018 (Telangana)

Works

Faridabad: Sector-25 – 121 004 (Haryana)

Jasidih: Industrial Area – 814 142 (Jharkhand)

Hyderabad: Sanathnagar – 500 018 (Telangana)

Thrissur: Mulangunnathukukavu – 680 581 (Kerala)

Satharya: 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 (Telangana)

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)

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



The industry has faced tough times, but HIL used this opportunity to become more efficient. To bring in sharper focus to the business, commendable initiatives have been taken by HIL with a view to deliver value to all the stakeholders.

- C K Birla

MANAGING DIRECTOR'S MESSAGE



A turbulent economy and tough market conditions such as low demand, low spend on infrastructure development, compounded by pressure on prices affected the overall profitability of the industry. HIL used this trying period as an opportunity to implement several strategic initiatives and realign the structure to be future ready: initiatives such as introduction of SBU structure, capacity expansion, innovation in manufacturing processes for improved productivity, financial restructuring resulting in significant reduction in working capital, etc. These initiatives will help HIL to excel in times to come, especially when the economy and demand improves. Another exciting development this year was HIL's diversification into the new business of Advanced Polymer Products; special efforts were expended to ensure this was done in a time bound manner. Prestigious awards and accolades won during the year also served to validate our strong zeal to excel.

- Abhaya Shankar

THE WILL TO BUILD A CULTURE OF EXCELLENCE

In keeping with our strategy, the SBU structure has been introduced with an objective of achieving greater growth and profitability and to bring in sharper focus to individual business units. A clear business path of HIL has been chalked out with required resources being aligned to the overall business objective. The team is highly qualified with a proven track record and good domain knowledge, with a clear understanding of the business and its requirements.



Mr. KR. Veerappan

Mr. KR. Veerappan – CFO, is a commerce graduate and a Chartered Accountant. He has over 24 years of rich experience and has played a pivotal role in enabling business growth across various industries. He has also been able to transform finance from a mere back end controlling function to a front end business enabler.



Mr. V. Jayachandran

Mr. Jayachandran heads the sheeting business. He is a B.Tech (Electronics) graduate with a P.G. Diploma in Management from XLRI. He comes with an MNC background and has to his credit the feat of turning around various businesses towards profitable growth and setting high industry standards.



Mr. Rajiv Upadhyay

Mr. Rajiv Upadhyay heads the Blocks & Panels business. He has done Integrated Engineering (BE & ME in materials) from IISc and MBA from XLRI. He brings with him extensive experience having operated in various industries.



Mr. Alok Jain

Mr. Alok Jain heads Advance Polymer Products business and also looks after business development. He has done B.Tech (Chemical Engineering) from IIT-Delhi and MBA from ISB. He has established the entire APP business in record time, setting a new benchmark in the industry.

FINANCE & OPERATIONS

Ever mindful of our responsibility towards our customers, clients and stake-holders, HIL made every effort to streamline operations, enhance efficiency and optimise costs.

In keeping with this: a reduction of Rs.172 crore (YoY) in working capital was brought about by successfully reducing inventory cycle. Cost optimisation initiatives undertaken across plants yielded savings of Rs. 5 crores p.a

Additionally, cash generated from the business ensured that borrowings were kept to a bare minimum resulting in lowest ever debt equity.

HIL's accomplishments during the last year stand on the strength of extraordinary efforts to optimise its operations. Concerted efforts across all plants saw operations streamlined and strengthened – leading to improved efficiency and quality.

- At Kondapally – Line 1 expansion in record time of 95 days.
- AAC block plant at Golan saw a 45% increase in capacity, making it the largest single plant capacity in India.
- AAC block plant at Chennai underwent complete overhaul and refurbishing, resulting in enhanced quality and increased productivity.
- Established a new state of the art German technology AAC block manufacturing plant in NCR.
- Installed of Solid Fuel boiler resulting in 45% saving. Bio degradable fuel is used to ensure reduction in carbon emission.
- Both Dharuhera and Vijayawada witnessed power trading resulting in reduction in power cost by 15%.



SALES & MARKETING INITIATIVES

HIL's robust, sustained and innovative marketing saw it reap rich dividends. Leveraging offline and online media, its marketing campaigns ensured high brand equity of 3.5 across segments; the highest in the industry (Nielsen's report).

Be it the implementation of Business Intelligent Tool MAIA – which enabled information and analytics at the fingertips; or the deployment of the CRM tool to create an online community of over 5000+ building materials industry professionals – and in doing so, generated over 3000 leads and over 2.5 lakh clicks, with over 1.5 lac people talking about our brands on the digital platform, HIL's digital efforts enjoyed rich success.



HIL's market mapping of APP & Charminar has given a strategic advantage of understanding market dynamics and consumer profile.

The judiciously executed rural van campaigns covered around 113 districts and 1540 villages. The main focus was to create counters deep in the rural markets, educate consumers and create aspiration of progress 'Zindagi Khushaal Gujarati hain Taraki ki Chaon mein'.



HIL introduced several CRM initiatives so as to strengthen and enrich its relationship with its dealers. The programs elicited eager participation – as they rewarded dealers for their efforts, while affording valuable opportunities to grow their businesses.



INNOVATION

Charminar Colour +:

Charminar Colour + was conceived to cater to the growing need for a superior product that boasts of a striking aesthetic look and feel – so it may occupy the pride of place with the customers, while affording them a distinctive appearance.

Endowed with UV resistant, fade resistant- properties, these tough and durable sheets give a classy ethnic look reflecting pride of possession and truly suggesting "Tarakk ki Chaon"



Infill Wall System:

An innovative technology breakthrough, Infill Wall System is a ready-made load-bearing wall for interior and exterior application. Aiding in faster construction, the product entirely eliminates the need for plastering and tedious curing. Additionally, its superiority renders it fire and termite resistant and is highly durable.

Aerocon Panels:

This new innovation with double tongue and groove system has an inbuilt electrical conduits which completely eliminates the chasing process. With enhanced strength and other properties, it meets the standard of building code for residential application,

