CK BIRLA GROUP

HIL

The Zeal to Exceed

HIL Limited
Annual Report
2014-2015

The Zeal to Exceed

empowers us
to exceed expectations
to fly high
to surge forward - Higher, Faster, Stronger

At HIL, we view challenges as opportunities. It is this spirit that opens up boundless vistas for growth, empowers us to break new ground and passionately strive to exceed expectations.

Even as our unprecedented performance enables us to fly high, we never lose sight of our strong Values and Vision that keep our feet firmly on the ground. In fact, we look at success as an inspiration which will act as a springboard to surge ahead faster, higher and stronger.

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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

Corporate Information

Board of Directors

Mr CK Birla, Chairman

Mr Prashant Vishnu Vatkar, Managing Director

Mr P Vaman Rao

Mr Yash Paul

Mr Desh Deepak Khetrapal

Mrs Gauri Rasgotra

Chief Financial Officer: Mr KR Veerappan

Company Secretary: Mr P Rajesh Kumar Jain

Auditors: S R Batliboi & Associates LLP

Solicitors: Khaitan & Company

Bankers

State Bank of Hyderabad

State Bank of India

Central Bank of India

HDFC Bank Limited

The Hongkong and Shanghai Banking Corporation Ltd.

Registered Office

HIL Limited

SLN Terminus 7th floor, Sy No 113, Gachibowli,
Hyderabad 500032, Telangana, India

CIN No.: L74999TG1955PLC000656

Works

Balasore: Plot No. Z-2, IID Centre, Somanthapur Village
Balasore District 756019, Odisha

Chennai: Periapalayam Road, Kannigaiper Village
Tiravallur District 601102, Tamil Nadu

Dharuhera: Plot No. 31, Rewari District 122106, Haryana

Faridabad: Sector-25, Faridabad District 121004, Haryana

Golan: Golan Village Valad Taluka, Tapi District 394640,
Gujarat

Hyderabad: Sanathnagar, Hyderabad District 500018,
Telangana

Jasidih: Industrial Area, Deoghar District 814142, Jharkhand

Jhajjar: Amadalshahpur, Akeri Madanpur Village
Tehsil-Matanhail, Jhajjar District 124146, Haryana

Sathariya: SIDA, Jaunpur District 222022, Uttar Pradesh

Thimmapur: Plot 11-56, Thimmapur,
Mahaboobnagar District 509325, Telangana

Thrissur: Mulankunnathukavu, Thrissur District 680581,
Kerala

Vijayawada: Plot No. 289, IDA, Kondapalli
Krishna District 521228, Andhra Pradesh

Wada: Musarane Village, Thane District 421312,
Maharashtra

Wind Power

3.6 MW (2x1.80 MW) at Kutch District, Gujarat

1.25 MW near Coimbatore, Tirupur District, Tamilnadu

2.5 MW (2x1.25 MW) at Jodhpur District, Rajasthan

2.0 MW at Rajgarh Village, Jaisalmer District, Rajasthan

HIL Values

Moral & Ethical Principles
Care & Respect
Apolitical & Non-Bureaucratic
Responsibility & Accountability
Fair & Transparent
Integrity & Trust

Chairman's Message

CK Birla

Now our relentless focus on process excellence, talent and modernization is beginning to pay off

HIL is straddling new heights after a particularly tough year in 2013-2014. We have taken up strategic initiatives, acquired new talent, cut costs and diversified into new products. Now our relentless focus on process excellence, talent and modernization is beginning to pay off. Our performance in 2014-2015 clearly brings the limelight back on the upward trajectory of our growth potential, state-of-the- art manufacturing facilities, and our pan-India presence as a market leader. The government's renewed focus on infrastructure and affordable housing will add impetus to the growth process that has already begun.

As we grow, we will continue to adhere to our green philosophy, staying focused on environment friendly raw materials, production processes and end products. Our commitment to the environment is reflected in our investment in the state-of-the-art R&D facilities that enable us to even export to countries with stringent green standards.

We are confident that we will remain market leaders with well-defined strategies, robust diversification plans and cohesive team work.

I take this opportunity to thank all our stakeholders who have played a pivotal role in our growth. HIL will ensure that our stakeholders will be part of this success story.

Managing Director's Message

Prashant Vishnu Vatkar

We are confident that our customer focus, our people and our values will continue to empower us as we move ahead of the market in leaps and bounds

It is a matter of great pride for all of us at HIL that we have not only surpassed our own expectations, but also outperformed the industry. Our improved market share, profitability and enhanced brand equity is a testimony of this success.

As a part of HIL's business strategy, creation of SBU (Strategic Business Unit) structure has paid rich dividend.

This structure brought in sharper focus to individual businesses, making them lean and agile with optimal utilization of capital and human resources.

Our trade and business partners have continued to provide great support and add to our strengths.

With this renewed vigour, and HIL's customer centric approach, HIL brands Charminar & Aerocon will look at further expanding their product portfolio in the space of roofing, wet wall, dry wall and plumbing segments and provide high quality end-to-end efficient & eco-friendly building solutions, over the next few years.

The one key factor that has sustained and led HIL to this juncture is the commitment and passion of our people, who are highly motivated, driven and have a great zeal to excel. With our feet firmly held on the ground we shall use this success as a springboard to scale greater heights. We consider this to be just the beginning of a glorious future ahead.

Finance and Operations

HIL, Corporate Office, Gachibowli

Finance

Sharpened focus on working capital efficiency

Lowered Debt-Equity ratio through borrowing cost optimization

Significant reduction in interest cost

Operations

Relocated the Registered Corporate Office to Gachibowli, Hyderabad, in the heart of the business hub

Upgraded hardware and network across all units

Established production of AAC Blocks at Jhajjar, Haryana, to meet the needs of North India Market

Commissioned a CPVC and UPVC unit at Timmapur, Telangana, to cater to the South India market

Launched an innovative Vendor Partnership program to reduce cost of key & critical raw material with improved quality

AAC Block Plant, Jhajjar

Business Highlights and CSR

Charminar

A new world record was set by Charminar, by producing and selling 1 Lakh metric tonnes of fibre cement sheets during the period May and June 2014.

Charminar has recorded the highest ever revenue and profitability by substantially gaining market share and growth all across the country.

A first of its kind in the industry loyalty program, Charminar Unnati, was launched to engage, motivate, reward and further strengthen bonds with channel partners. Over 5000 channel partners have enrolled for the program.

Aerocon

Aerocon Blocks increased market spread by a quantum jump of 59% and Aerocon panels grew by 30%

Project ASPIRE, an innovative initiative to track, analyse, optimize and improve productivity by bringing down costs, was launched.

Capacity utilization touched 100% through achieving operational excellence.

In the first year of operation, Aerocon Pipes and Fittings was launched in 10 states as a premium product. It captured a substantial market share with its superior quality and aggressive marketing initiatives.

Aerocon Pipes and Fittings launched Aerocon Bandhan Club, a first of its kind technology driven loyalty program. This program has helped us to establish a one-on-one platform to engage, motivate and reward channel partners.

Distributed Warm Clothes at Sathariya

As a responsible corporate citizen, HIL is a strong believer in giving back to society

Participated in the Swacch Bharat Abhiyan by constructing toilets for Sonali School, near Wada, Maharashtra.

Erected a hand-pump for drinking water, distributed free stationery and organized debate and singing competitions for students of government schools in Balasore village.

Distributed computers to a Government School at Sathariya

Distributed warm clothes to children, senior citizens and the physically challenged in Sathariya. Donated computers to the local Govt. Primary School.

Constructed the Village Revenue Office at Ibrahimpatnam, Kondapally. Also provided Charminar fibre cement sheet for the roof of a place of worship.

Planted trees in the Industrial Development Area (IDA) at Kondapally, and transformed it into a green belt.

Distributed Stationery at school at Balasore

Sales and Marketing Initiatives

To make its mark in a highly competitive field, HIL is constantly looking at new and innovative ways of marketing and promoting sales. As part of this endeavour, it conducted campaigns targeting specific stakeholders- trade partners, influencers and customers- by educating, supporting and creating value for them

Educate

In keeping with its status as an Industry leader, HIL has taken on the responsibility to create awareness and educate the entire value chain of stakeholders by conducting seminars, training programmes and workshops.

Many useful topics such as skill enhancement, new techniques, industry updates and trends etc. are shared at these forums.

Support

One of HIL's major strengths lies in the end-to-end technical support services extended to customers. Right from the design stage to final execution of the project, HIL's highly trained professionals are on board to provide all necessary guidance and advice. This has resulted in the successful execution of numerous challenging landmark projects across the country.

Aerocon Hoarding on the Hyderabad Airport Road

Van Campaign

Creating Value

HIL strongly believes in providing value to all its stakeholders, with the key value drivers being innovative products, comprehensive services and strong brand equity.

In this quest, HIL became an early adapter of mobile technology, CRM modules etc., using them effectively to build strong loyalty amongst the entire value chain. Today, HIL, with its pan India footprint, has an extensive network and enjoys numero uno position in Brand Equity Index (according to Nielsen's Brand Track study)

Rural Mobile-Radio Campaign

With TRAI putting the total rural telecom subscriber base at 377.73 million (as of March 2014), Brand Charminar sought to leverage this by launching a mobile-radio campaign with multiple telecom service providers to reach its rural customers. The campaign significantly enhanced brand awareness of Charminar in several rural and semi-urban markets.

Dealer Meet