

**GEARED UP  
TO  
ZOOM AHEAD**



ANNUAL REPORT  
2015 - 16



## **GEARED UP TO ZOOM AHEAD**

The market conditions of the real estate and the rural economy, for the year 2015-16 have been challenging. Tough times like these call for recalibration of business approach. HIL has worked relentlessly to improve on operational efficiency taking a zero base approach in many aspects of business. HIL also focused on getting future ready by working on initiatives like TPM certification for the leading plants and making the Aerocon brand stronger in the building material space. These initiatives got acknowledged with the award of TPM for Kondappalli plant - the first in its category, and both our brands Charminar and Aerocon were awarded the "SuperBrand" status. HIL is now ready to scale new heights of excellence.

We are the market leaders in the Building Material Space and we reaffirm this by reinventing ourselves and our standards regularly. We stand committed to be the trendsetters by constantly raising the bar for the industry.

So, we stand all poised, ready and fully Geared Up to zoom ahead.

Here we present the overview of the operation at hand.

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## The 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 G Manikandan

**Auditors:** S R Batliboi & Associates LLP

**Solicitors:** Khaitan & Company

### Bankers

State Bank of Hyderabad

State Bank of India

HDFC Bank Limited

The Hongkong and Shanghai Banking Corporation Ltd.

### Registered Office

#### HIL Limited

SLN Terminus 7th fl, Near Botanical Garden,  
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

**Kondapalli** : 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

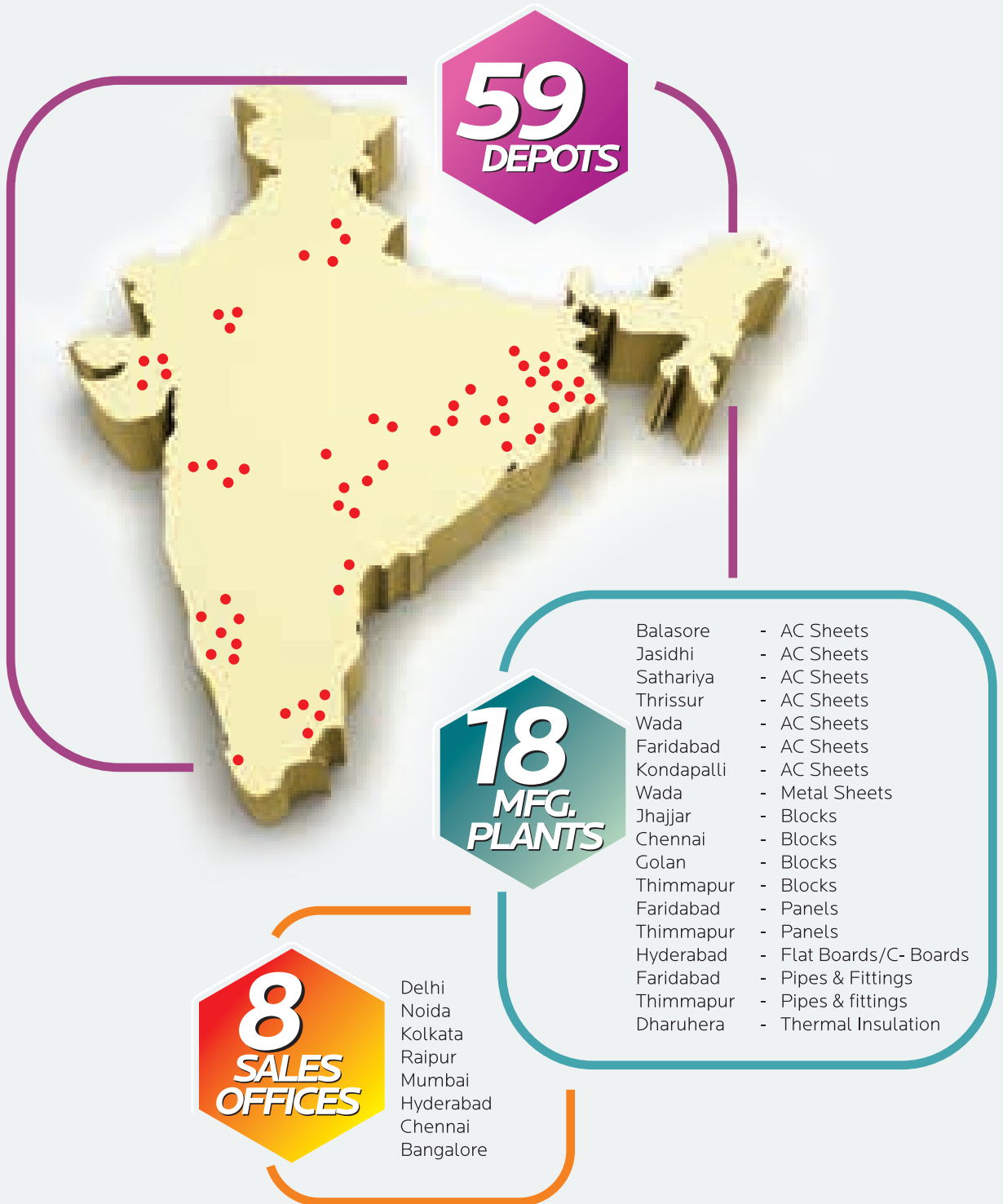
1.25 MW near Coimbatore, Tirupur District, Tamilnadu

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

2.0 MW at Rajgarh Village, Jaisalmer District, Rajasthan



## The Reach Now



## The Journey So Far

**1946-47**  
Incorporation of the Company

**1998-99**  
Commenced commercial production of Fibre Cement Sheets at Kondapalli, Andhra Pradesh

**1949-50**  
First Plant for manufacturing AC Sheets at Hyderabad, Telangana

**1999-00**  
Commenced commercial production of Autoclaved Aerated Concrete Blocks at Chennai, Tamil Nadu

**1959-60**  
Second Plant for manufacturing of AC Sheets at Hyderabad, Telangana

**2000-01**  
**(a)** Commenced commercial production of Asbestos Cement Sheets at Wada, Maharashtra  
**(b)** Aerocon Panels, developed by Company's R&D Centre, received DSIR National Award for R&D Efforts in Industry (2000) in the Area of New Materials from Government of India, Ministry of Science & Technology, Department of Scientific and Industrial Research  
**(c)** Company obtained patent for Aerocon Panels in India & Pakistan

**1963-64**  
New factory at Faridabad, Haryana for manufacture of AC Sheets

**2001-02**  
**(a)** Company's R&D Centres received recognition from The Department of Scientific and Industrial Research, Government of India  
**(b)** Company obtained patent for Aerocon Panels in UK and Apparatus for Producing Plurality of Panels

**1964-65**  
Started Engineering Division at Hyderabad, Telangana

**2002-03**  
**(a)** Company obtained patent for Aerocon Panels in Australia  
**(b)** Government of Andhra Pradesh conferred "Best Managed Unit" Award on the Kondapalli Unit, Andhra Pradesh

**1965-66**  
Third Plant for manufacture AC Sheets at Hyderabad, Telangana

**2003-04**  
Company disinvested 40,59,600 Equity shares in Hindustan Powerplus Limited aggregating to ₹ 1299.07 lacs

**1975-76**  
Establishment of Research & Development at Hyderabad, Telangana

**2004-05**  
Turnover crosses ₹ 400 crores

**1978-79**  
Commencement of production of Moulded Thermal Insulation Articles and 'Joining Products' at Faridabad, Haryana

**2005-06**  
**(a)** Amalgamation of Malabar Building Products Limited with the Company  
**(b)** Fibre sheet plant set up at Sathariya Dist. Jaunpur UP, commenced commercial production

**1979-80**

New plant at Jasidih, Bihar for manufacture of AC Sheets

**2007-08**

(a) The company implemented SAP as a Enterprise Resource Planning (ERP)

(b) Gross Turnover crossed ₹ 500 crores

**1985-86**

Change of name from Hyderabad Asbestos Cement Products Limited to 'Hyderabad Industries Limited'

**2008-09**

New fibre sheet plant set up at Balasore, Odisha commenced commercial production

**1986-87**

(a) Commencement of production of AC Sheets by Malabar Building Products 'Limited, a joint sector company with Kerala State Ind. Dev. Corpn. at Trichur, Kerala

(b) Trial production of Thermal Insulation Products (Refractories) at a new plant in 'Dharuhera, Haryana

**2009-10**

New fibre sheet Line set up at Kondapalli, Andhra Pradesh commenced commercial production

**1988-89**

Commencement of manufacture of Size Reduction Equipment at Engineering 'Division, Hyderabad, Telangana with technical know-how from Siebtechnik GmbH, Germany

**2010-11**

(a) Commenced commercial production of Autoclaved Aerated Concrete (AAC) Blocks at Golan -Gujarat

(b) Set-up wind Mill projects at 3.6 MW at kutch Dist , Gujarat

**1991-92**

Heavy Engineering Division including Steel Foundry of Hindustan Motors Limited Transferred to the Company under a scheme of arrangement

**2011-12**

(a) Set-up 2 additional wind power projects 1.25 MW & 2.5 MW in Coimbatore, Tamil Nadu and Jodhpur, Rajasthan

(b) TPM was initiated in all HIL manufacturing facilities

(c) Rebrand exercise for the Brand Charminar and Aerocon undertaken

**1992-93**

Technical Collaboration Agreement with Mannesmann Demag Baumaschinen

**2012-13**

(a) Change of name from 'Hyderabad Industries Limited' to HIL Ltd

(b) Company devised a "5-way green" strategy to be introduced to the manufacturing process

(c) GreenCo Co gold rating award conferred by former President APJ Abdul Kalam Azad for Aerocon

(d) Turnover crosses ₹ 1000 crores

**1995-96**

(a) Cement Grinding Unit set up at Jasidih, Bihar

(b) Prefabricated building panels, based on technology from M/s. Building Technologies '(Australia) Pvt Ltd, Australia, was produced on a pilot plant

**2013-14**

(a) HIL won business superBrand status and Aerocon won the consumer SuperBrand Status

(b) Launched the first 'Aerocon Pipes & Fittings' Plant at Faridabad, Haryana

(c) Installation of solid fuel boiler resulting in 45% savings. Bio degradable fuel to ensure reduction in carbon emission

(d) Indira Award for excellence in Brand Management & product Innovation

(e) Ethical Brand award conferred by CSR World

**1997-98**

Commenced commercial production of Aerocon Panels at Thimmapur, Andhra Pradesh and at Faridabad, Haryana

**2014-15**

(a) A new wind power plant of 2.0MW in Jaisalmer , Rajasthan

(b) Relocated the registered office from Sanathnagar Hyderabad to Gachibowli, Hyderabad

(c) AAC block plant commissioned in Jhajjar, Harayana

(d) Aerocon Pipes and fitting Plant commissioned in Timmapur, Telangana to cater to South India market

(e) Kondapalli and Dharuhera witnessed power trading resulting in reduction of power cost by 15%

(f) Consumer SuperBrand Awards for Aerocon and Charminar

## Chairman's Message



CK Birla

“

HIL continued its relentless journey of growth and excellence in 2015-16 beating the odds of a stagnant real-estate market and a slow rural economy. Staying alert to the industry dynamics and proactively responding to them, we closed the year and delivered a prudent result.

We have had numerous highlights in 2015-16. The TPM award for Charminar's Kondapalli Plant was particularly remarkable as it was the first in the Roofing Sheet Industry.

Rural infrastructure sector is a key driver for the Indian economy and is responsible for propelling India's overall development. The government has initiated policies that would ensure time-bound creation of better rural infrastructure and rural housing in the country. HIL is ready to surge ahead with renewed vigour, towards prosperity for its shareholders and for the community at large.

”

## Managing Director's Message



Prashant Vishnu Vatkar

Being the front-runners in the Building Material industry, we have come a long way and achieved admirable feats and set new benchmarks for excellence and innovation. From re-establishment of managerial frameworks to the overhauling of manufacturing units to a multitude of awards - we have had a good run.

Charminar's Kondapalli Plant was awarded the TPM award in Category B by JIPM – the first ever in the roofing sheet industry. Aerocon became the largest manufacturer and seller of AAC blocks in the country, Aerocon is looking to be the complete Building Material solution provider and is testing water for the same with an entourage of new products for Dry and Wet Walling. We have also successfully re-implemented the ERP framework which has made the internal process smooth and efficient.

I believe, we have an A-team which is ready to take on any challenge and is focused to find a path to reach where they need to be. This self-confidence, team spirit and a prediction of better economic environment in 2016-17 will pave the way for a year to watch out for.

Here's to the new race that is beginning. We're all geared up - let's zoom ahead!

”

With a slowdown in the real-estate and the rural economy, the year 2015-16 has been tough with low demand and spending. In this challenging environment, HIL has managed to combat the head winds and perform very well. We are recalibrating the business approach to best suit the current scenario. It has been a pleasure to observe the spirit of HIL at work – where all challenges were faced head-on and our teams managed to put their best foot forward.

”



▲ The HIL AAC Block Plant at Thimmapur

## Finance & Operations

### Finance

- Interest cost optimization through issue of commercial papers
- Debt-Equity ratio continues to be low
- Successfully re-implemented ERP (SAP)

### Operations

- Commenced commercial production of Colour Steel Sheets

- Achieved record time line up-gradation at Faridabad Unit
- Commissioned an AAC Block plant at Thimmapur in record time with an initial capacity of 8000 CuM/month
- Significantly reduced variable costs and achieved industry leading margins driven by innovative operational initiatives
- Maintained operational efficiency; striking the right balance between volume and NSR