

“HIL has always been customer-centric and an early adapter of technology.”

Abhaya Shankar
Managing Director, HIL

Formerly known as Hyderabad Industries Limited, HIL, a flagship group of the CK Birla Group, started way back in 1946 to provide affordable shelters (roofing) to millions of people in India. Earlier they were known for quality but soon durability and value were added to the attributes, and the Charminar fibre cement roofing sheets became a household name in the country. ICR interacted with **Abhaya Shankar, Managing Director, HIL**, to know what drives the company on its growth path. Excerpts from the interview.

Please brief us about your company and the markets it serves.

Based in Hyderabad, HIL is known for manufacturing green and sustainable building materials. The company has a pan-Indian presence with 11 manufacturing facilities and over 40 depots and sales offices. Today, our strength is the deeply-penetrating and strong trade channel network, which serves rural customers as well.

HIL realised the industry trends quite early, and as responsible corporate citizens, we were the early adapters of the green revolution. We also chalked out a five-way green philosophy programme. Using industrial waste as a basic raw material, the entire manufacturing process is green with no gas emission or effluent discharge, and zero by-product. The end product is green and recyclable. With wind mills in Tamil Nadu, Rajasthan and Gujarat, over 30 per cent of the energy used is renewable energy.

It is this enduring effect that our



Abhaya Shankar with the prestigious CII Greenco Gold trophy along with other awards.

Golan plant, which manufactures Aerocon blocks, has been given eligibility to earn 35,000–40,000 carbon emission reduction (CER) points per year for the next ten years by the United Nations Framework Convention on Climate Change (UNFCCC). In fact, in the building materials domain, we are the first to receive the prestigious CII Greenco Gold rating.

Aerocon panels, innovative, patented dry-wall partitions, is yet another advanced product range, which is a boon to the construction industry. With high thermal insulation and negligible steel consumption, one can reduce the overall cost of the project up to 30 per cent and save energy by about 28 per cent. HIL is focusing on providing a comprehensive building solution, be it roofing, walling, flooring, ceiling, partitions, etc.

Today, HIL and its products has been awarded a super brand status. This is a clear testimony of our

commitment to our customers providing green solutions. It is this success that paved way to enter into the advanced polymer products segment. Aerocon launched UPVC and CPVC pipes and fittings. With a state-of-the-art manufacturing facility at Faridabad, Aerocon has come out with the True Fit technology, which ensures perfect fit resulting in leak proof joints and durable plumbing solution. In just three months since the launch, these products have caught on very well in the market and are now doing exceedingly well.

What does your management structure look like?

In order to bring in synergies and improved efficiencies, we have moved from the functional vertical structure to a strategic business unit (SBU) structure. We have three business verticals: advanced polymer products business, sheeting business, and the block-panels and industrial insulation business. Specific focus is

given to manufacturing excellence, and strengthening IT by bringing in new technology platform for improved efficiencies.

In terms of growth and product launches, how has HIL performed in the last five years?

HIL has performed quite well in the last 4-5 years. Although, the sheeting industry has declined at a CAGR of one per cent during FY10 and FY14, HIL gained a good market share during this period. In the AAC blocks and walling space, the industry has been on a growth path and is expected to grow at a rate of 25 per cent primarily due to conversion from existing substitutes and ban on making red bricks. The supply of AAC blocks has been growing at a rate of 50 per cent CAGR over the last six years. Many localised players have forayed into this business, putting more pressure on price. More customer awareness is needed as this product determines the strength of the entire structure.

During this period, we have forayed into colour coated metal sheets, polycarbonate and high quality EPDM washers, which support fixing of roof sheets. The overall revenue for HIL has been very healthy.

How much is the current demand for your products? What are your future marketing plans?

The overall growth in the sheeting industry is quite slow. Poor states with good GDP is where growth will be seen, where the thatched roof will be converted into fibre cement sheets. The affluent states have already started migrating from fibre cement sheets to the metal/colour coated/GI roofs. The product is being pushed deeper into the rural markets. HIL has always been customer-centric and an early adapter of technology. HIL's focus will



HIL is a leader in providing comprehensive building solutions.

be to ensure availability of the product, provide after-sales service, quick delivery and educating the customers.

What is your mantra for keeping your customers?

We have a legacy of an established clientele and high quality of products and services. We also listen to customers and constantly innovate and upgrade our products and services. In fact, we have trade partners who have been associated with us for more than three generations.

What is the break-up of the revenue earned from different product lines?

The sheeting business contributes largely to our overall revenue, i.e., about 80 per cent. The blocks/panels segment contribute around 15 per cent, while the balance comes from other businesses like industrial insulation and engineering division.

Do you have any further expansion plans?

Yes. We have identified few growth areas in certain businesses and have aggressive plans to pursue them. Our long-term strategy is to be a leader in providing comprehensive building solutions and deliver value to all our stakeholders.

Tell us more about your new product launches.

The Aerocon range of UPVC, CPVC pipes and fittings, which was launched about three months ago, is doing extremely well. Our True Fit technology is a clear differentiator in this segment. A few more products are on the anvil and you will shortly see them in the market.

Your group company is well-known for its CSR activities as well. Tell us something about it.

Being part of CK Birla Group, we carry out quite a few CSR activities. The group's contribution towards health care, education, science and technology has been commendable. Recently, in addition to the health camps and plantation drive, HIL has built roads for connecting nearby villages to its factory. HIL has also tied up with an NGO called Shramika, which identifies young enthusiastic people from villages who are economically challenged. We train them to be certified masons, electricians, plumbers, carpenters, painters, and automobile mechanics, ensuring a decent livelihood for them. We also provide employment opportunities to them. Success of this initiative at the pilot level has paved the way to take it to other parts of the country. **ICR**