

# Asbestos cement roofing firm HIL shifts focus to greener building products

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HIL Ltd, part of the \$-1.6 billion CK Birla Group, is on a major diversification drive. It is moving from its traditional product of asbestos cement roofing towards new and green building substitutes such as autoclaved aerated concrete blocks and polymer products.

While the AAC blocks are a cheaper and a greener alternative to the red bricks used in construction, the company's advanced polymer products are targeted as an alternative to the GI (galvanised iron) pipes used as plumbing pipes in buildings.

HIL, formerly Hyderabad Industries Ltd, spent a major slice of its capital investment of ₹80 crore last fiscal on setting up facilities for these new products, which are expected to add to its top-line this fiscal.

"Presently, our fibre cement roofing products account for 80 per cent of our revenue, while the green products make up the rest 20 per cent. We see this ratio becoming 60:40 in the next three to four years," Abhaya Shankar, Managing director, said.



HIL's automatised production line for asbestos roofing sheets at Sanathnagar in Hyderabad. PV SIVAKUMAR

Last fiscal, the firm's turnover slipped to ₹960 crore from ₹1,160 crore in the previous year because of tepid market demand, policy paralysis in certain sectors and the elections.

## Expansion steps

"But our last year's capex was one of the highest. We expect this to yield results this year and hope to recover the fall in revenues. The first quarter performance is very encouraging," Shankar told *BusinessLine*.

As part of its diversification

drive, HIL is setting up a ₹65-crore, four-lakh-cubic-metre capacity AAC block plant at Jhajjar in Haryana, which is expected to go on stream in the third quarter of this fiscal. With this facility, its total AAC block manufacturing capacity will go up to 8.5 lakh cubic m, including capacities in Chennai and Golan, near Surat.

AAC bricks, made with flyash (waste from power plants), are about 15-20 per cent cheaper than the more polluting red bricks, which today cost about ₹6-7 each.

HIL is also entering the advanced polymers products market by setting up a ₹25-crore facility at Faridabad, which has just started trial production — it is expected to reach full capacity this fiscal.

The company competes with brands from the stables of Astral Industries and Ashirwad in the PVC (polymers) pipes market.

HIL is today the world's largest maker of asbestos cement roofing with a capacity of one million tonnes, having a total of 14 manufacturing units across India.