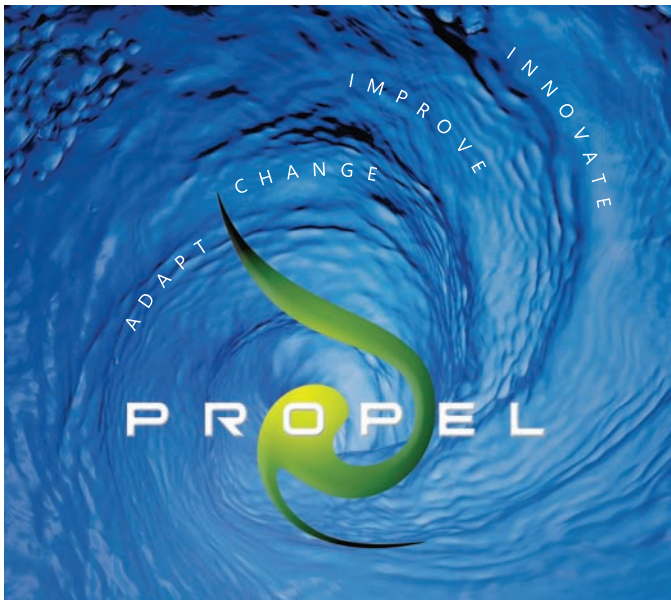




Annual Report 2009-10



HYDERABAD INDUSTRIES LIMITED



Adapt. Change. Improve. Innovate. **Propel**

The dynamism of an organization is derived from the energy it creates for itself. At HIL, this energy is derived from our vision.

To adapt to external factors. Adopt the resulting change.

Improve our deliverables through innovative thinking. And to keep the fire to excel inspiring us constantly. Forces that make us a company that's self driven. A company that doesn't merely move ahead, but propels itself to greater heights.

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Our Vision

To become a domestic market leader and a global player in building products industry with a commitment to provide environment-friendly products by following green and safe practices.

Board of Directors

Mr. C. K. BIRLA, Chairman

Mr. KRISHNAGOPAL MAHESHWARI

Mr. SHREEGOPAL DAGA

Mr. P VAMAN RAO

Mr. YASH PAUL

Mr. ABHAYA SHANKAR, Managing Director

Bankers

State Bank of Hyderabad
State Bank of India
State Bank of Indore
State Bank of Mysore
State Bank of Travancore
Central Bank of India
HDFC Bank Limited

Auditors

S R Batliboi & Co.

Solicitors

Khaitan & Co.

Registered Office

Hyderabad Industries Limited
Sanatnagar, Hyderabad - 500 018
(Andhra Pradesh)

Works

Faridabad: Sector-25 - 121 004 (Haryana)
Jasidih: Industrial Area - 814 142 (Jharkhand)
Hyderabad: Sanatnagar - 500 018 (Andhra Pradesh)
Thrissur: Mulangunnathukavu P.O. - 680 581 (Kerala)
Sathariya: 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, Valod Taluka, Tapi District - 394640 (Gujarat)
Thimmapur: Mahboobnagar Dist - 509 325 (Andhra Pradesh)
Balasore: IDCO, Plot No. Z-2, IID Centre, Somanathpur (Orissa)
Chennai: Kannigaiper Vil., Tiruvallur Dist. - 601 102 (Tamil Nadu)
Vijayawada: Plot No.289, IDA, Kondapalli - 521 228 (Andhra Pradesh)

Chairman's Message

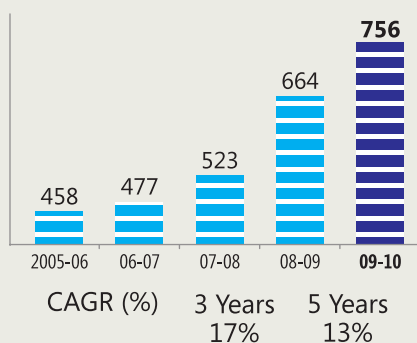
For us at HIL, excellence isn't just the end result, but a way of life. It is the philosophy that propels us as an organisation and keeps us inspired to realise our potential for greater achievements. It is this inherent strength that gives us the confidence to overcome challenges and create value for all those associated with us and for the Indian economy at large.

C. K. Birla

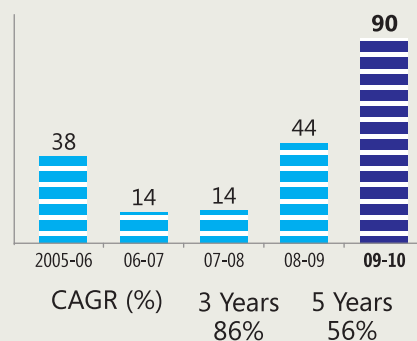


Financial Performance at a Glance

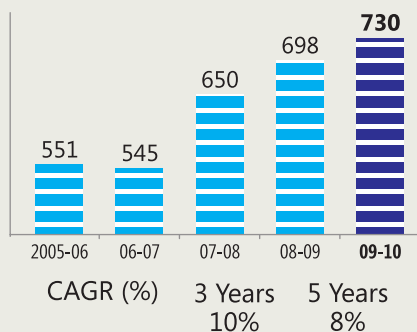
Gross Revenue (Rs. in Crore)



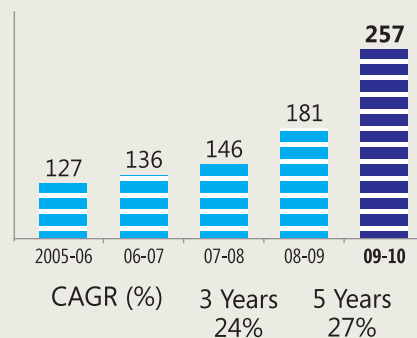
PAT (Rs. in Crore)



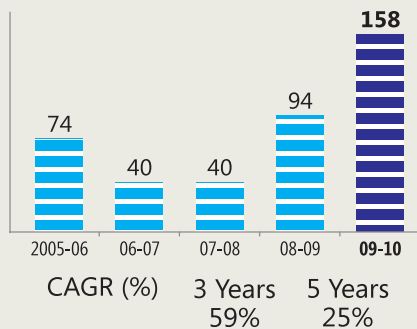
Sheeting Sales (in '000 MT)



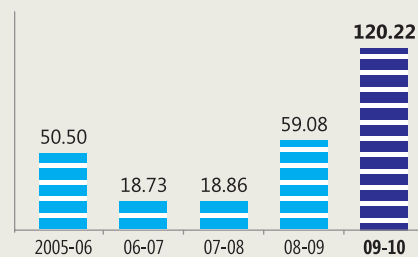
Net Worth (Rs. in Crore)



PBIDT (Rs. in Crore)



EPS (in Rs.)



The Management Team

Pursuing excellence. That's how we would describe the team that leads HIL. Driven by the spirit of enterprise the team brings together professionals who are armed with expertise and rich experience. It is their combined strength that drives HIL's leadership in the industry, and consolidates the company's position as one that is dedicated to delivering nothing but quality products to customers. Put simply, propulsion at HIL begins with this core team.



Team from left to right:

Mr. Ashok Soni (CFO); Mr. P S Rao (VP-Operations); Mr. P K Jhunjunwala (Sr-VP);
Mr. Shyam Modi (VP-Mktg - Roofing Products); Mr. Abhaya Shankar (Managing Director);
Mr. K A S Menon (VP-Mktg - Green Building Products); Mr. L N Murthy (GM-HR) and
Dr. V C Rao (AVP-Occupational Health)

INITIATIVES PROPELLING HIL

Expansion Drive

The country's most modern, state-of-the-art AAC Blocks Plant with German machinery set up at Golan, Gujarat.



AAC Blocks Plant, Golan-Gujarat

Customised dealer boards



With this effort, the company aims at reaching more customers and gaining more market share. All with the aim of taking the company's leadership in the roofing industry a step ahead.



Rural van promotion

Strengthening HIL's rural presence

In a move to further strengthen HIL's presence in the rural markets, we have initiated an aggressive branding and marketing exercise for our flagship brand, Charminar.



Wall painting in a village

EVENTS PROPELLING HIL



Green Habitat Seminar for Ecology



Participants at Green Habitat Seminar - Bengaluru

As part of its eco-drive, HIL conducted a series of seminars aptly named Green Habitat. Aimed at architects, these seminars saw interactions between prominent professionals who shared their views and ideas on sustainable building materials that have environmental and health merits. These seminars were also a platform for the top management at HIL to share the world community's growing concern for the planet and reaffirm the company's commitment to driving environmental progress by creating and delivering value-for-money, eco-friendly green products.

A colourful dance performance



Audience enjoying the cultural programmes

Annual Day Celebrations

It is something each and every one of us looks forward to - the Annual Day Celebrations. This year, the occasion was no less exciting. People gathered, greeted, got into the mood of being one huge family. There was joy in the air. Not to mention, the feeling of pride. Of belonging to an organization that's not just people-centric, but centered around their happiness.

TO THE SHAREHOLDERS

The Directors have pleasure in presenting their Report and the Audited Accounts of the Company for the year ended 31st March 2010.

FINANCIAL RESULTS

	Rs. in lacs	
	2009-2010	2008-2009
Profit before Interest, Depreciation, Exceptional Items and Taxation	15772.12	9393.46
Less: Interest	625.14	941.90
Depreciation	1554.71	1398.30
Profit before Exceptional Items & Taxation	13592.27	7053.26
Exceptional Items	18.37	110.62
Profit after Exceptional Items	13573.90	6942.64
Taxes	(4602.08)	(2533.81)
Profit after Tax	8971.82	4408.83
Balance as per last year	5181.10	2145.36
AVAILABLE FOR APPROPRIATION	14152.92	6554.19
APPROPRIATION		
General Reserve	8493.30	500.00
Interim Dividend on Equity Shares	447.75	—
Proposed Final Dividend on Equity Shares	746.26	746.26
Corporate Dividend Tax	202.93	126.83
Balance carried to Balance Sheet	4262.68	5181.10

DIVIDEND

During the year the Board has declared an Interim Dividend of Rs. 6/- per equity share (60% of the paid-up capital). Your directors are now pleased to recommend a final dividend of Rs. 10/- per equity share (100% of the paid-up capital) for your consideration and approval at the ensuing Annual General Meeting of the Company.

With the proposed final dividend, the total dividend for the year 2009-10 would be Rs 16/- per share (160% of the paid-up equity capital).

The total dividend outgo would be Rs 1396.94 lacs (including dividend distribution tax) as against Rs. 873.09 lacs - (100% of the paid-up equity capital) for the year 2008-09.

HOMAGE TO LATE SHRI G. P. BIRLA

We, on behalf of all our stakeholders, wish to place on record our profound sorrow and grief on the sad demise of Shri G.P. Birla on 5th March 2010.

He was a doyen in the industrial world and established a large number of industries in various sectors in India and abroad like automobile, paper, cement, electrical, building products and precision engineering products. He was a noble hearted soul and a great philanthropist and established several large foundations, hospitals and institutions for charitable and educational purposes.

He was awarded "Padma Bhushan" in the year 2006 by the Government of India for his outstanding services to the nation. In his death, the country has lost a great industrialist and a philanthropist.

OVERALL ECONOMY

The year 2009-10 started in a subdued note after the global economy witnessed financial crisis and hefty bailout schemes. However with all-round efforts by the Government of India to face challenge posed by the Global Economy, the Indian Economy sailed through difficult times and responded swiftly. The effectiveness of the policy measures became evident as the year ended on a positive note with a GDP growth of around 7.2% in 2009-10. While most of the sectors have performed reasonably well in the last year, the rural and semi-urban areas contributed significantly to our growth on account of improvement in their net household income, which enabled the Company to perform better.

PERFORMANCE

The year 2009-10 proved to be an another successful year in the history of the Company in all metrics, resulting in higher sales revenues and profits. The Company achieved a growth rate of 14% with overall Gross Turnover of Rs. 756 crores during the year under review. The growth in turnover is mainly attributed to better marketing efforts and the favourable market conditions, both for sheeting and green building products. The Operating Profit margin (PBIDT) improved from 15% to 22% during the year, as a result of all round efforts by the team HIL.

Production and Sales, in quantity terms, of Fibre Cement Sheets have increased by 15% and 5% respectively over