

E V  L V E



HYDERABAD INDUSTRIES LIMITED

ANNUAL REPORT 2010-11



E V O L V E

Evolution is a precursor to advancement. It is a natural response to changes, both within oneself, and in one's surroundings. It is a wonder to witness, and a joy to experience.

At HIL, we are evolving. Our brands have been revitalised. Our teams and strategies have been realigned. A vibrant energy pervades every aspect of our being. We are poised to attain great heights.

We are ready to fly.

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.

Contents

Corporate Information	02
Chairman's Message	03
Financial Performance at a Glance	09
Directors' Report	10
Auditors' Report	21
Balance Sheet	26
Profit & Loss Account	27
Cash Flow Statement	28
Schedules 1 to 22	29
Notice of AGM	55
Report on Corporate Governance	59

Directors

Mr. C K Birla, Chairman

Mr. Krishnagopal Maheswari

Mr. Shreegopal Daga

Mr. P Vaman Rao

Mr. Yash Paul

Mr. Abhaya Shankar, Managing Director

Company Secretary

P Rajesh Kumar Jain

Auditors

S R Batliboi & Associates

Solicitors

Khaitan & Co.

Bankers

State Bank of Hyderabad

State Bank of India

Central Bank of India

State Bank of Mysore

State Bank of Travancore

HDFC Bank Limited

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)

Satharya: SIDA, Jaunpur Dist. - 222 022 (Uttar Pradesh)

Dharuhera: Plot No. 31, Rewari Dist. - 122106 (Haryana)

Wada: Musarane Vil., Thane Dist. - 421 312 (Maharashtra)

Golan Village: Valod Taluka, Tapi Dist. - 394 640 (Gujarat)

Thimmapur: Mahboobnagar Dist. - 509 325 (Andhra Pradesh)

Balasore: IDCO, Plot No. Z-2, IID Centre, Somanthapur (Orissa)

Chennai: Kannigaiper Vil., Tiravallur Dist. - 601 102 (Tamil Nadu)

Vijayawada: Plot No. 289, IDA, Kondapalli - 521 228 (Andhra Pradesh)



Chairman's Message

India's growth, especially in the Building and Infrastructure sectors, will continue to present good opportunities for HIL. Changing consumer preferences and expectations require us to be agile and efficient. In recognition of these needs, we are EVOLVING into a performance-driven organisation to achieve accelerated and profitable growth.

C K Birla

The Management Team

HIL's Management Team is committed to driving change and making the organisation future-ready. Towards this end, the team has already set into motion major initiatives that include the induction and nurturing of new talent across various functions. Other vital developments include increased operational efficiency, the rejuvenation of our brands and new product offerings.

The team also recognises that the process of evolution demands consistency and continuity, in terms of both organisational strategy and senior leadership.

This seamless synergy between the time-tested and the new is helping HIL evolve into an intelligent, agile organisation.



Team from left to right:

Mr. Sanjay Kavathalkar (VP-HR), Dr. V C Rao (AVP-Occupational Health), Mr. P K Jhunjhunwala (Sr VP), Mr. Abhaya Shankar (Managing Director), Mr. Shyam Modi (VP-Sheeting Business), Mr. Ashok Soni (CFO) and Mr. Sharad Dalmia (Sr VP-Operations)

Charminar has evolved



On top of the world

Charminar's new brand identity reflects a single-word proposition: **UPGRADE**

The identity comprises:

- The visual of an arrow that doubles up as the number 'one', to suggest a movement towards the top.
- The brand line 'On top of the world'.

Aerocon has evolved



Aerocon's new brand identity reflects our passion for eco-friendliness and new-age solutions

The identity comprises:

- A structure of green sheets that come together to form a tree, indicating Aerocon's commitment to eco-friendly solutions.
- The brand line 'New spaces. New solutions.' which focusses on the organisation's modern outlook.

Evolving Marketing Initiatives



HIL Stall @ the 7th Green Cementech

Organised by the Confederation of Indian Industries (CII), the 7th Green Cementech saw the coming together of cement industry professionals from across the nation. Visitors to the stall were briefed on the benefits and utility of **HYSIL** products in energy conservation.

The Charminar Stockists Meet

The event, held at Agra, was conducted to facilitate a better understanding between company officials and stockists of the region and to discuss future business plans. The families of the stockists were also in attendance.

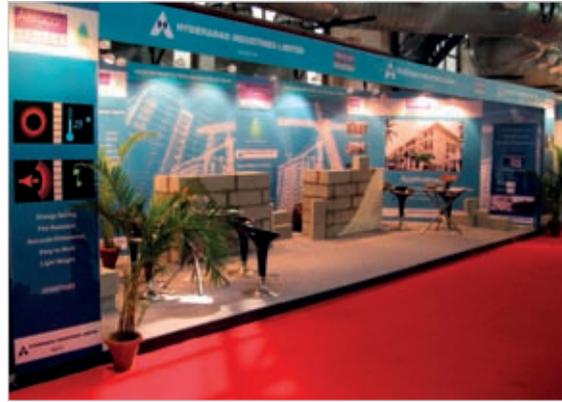


GAIA BIG 5 Exhibition - Dubai

Aerocon Blocks, Aerocon Panels, Charminar Roofing Sheets and Charminar Boards were all showcased at the massive Dubai exhibition. HIL won a bronze medal at the exhibition for Aerocon Panels.

ACETECH Chennai

Aerocon Blocks were showcased at the ACETECH Chennai exhibition. The stall was created as an experience zone for visitors to come and actually witness the properties and advantages of **Aerocon Blocks**.



Partners in Progress Meet

For the first time, an all India "Partners in Progress" meet was organised to bring franchisees and delegates of the company together.

It was a residential meet held in Hyderabad and attended by over 50 franchisees from all over India dealing in **Aerocon Panels**.

Sthapatya Exhibition

HIL showcased **Aerocon Blocks** and **Aerocon Panels** at the Sthapatya Exhibition. The exhibition was organised by the Architects and Civil Engineers Association of Surat, and the HIL stall saw a large number of visitors enquiring about the products.





State-of-the-art Manufacturing Facility at Golan

The company started commercial operations of its AAC Blocks manufacturing facility at Golan, near Surat, Gujarat in July 2010.

With the opening of this facility, HIL will be able to meet the growing demand for AAC Blocks in the western part of the country.



Wind Power

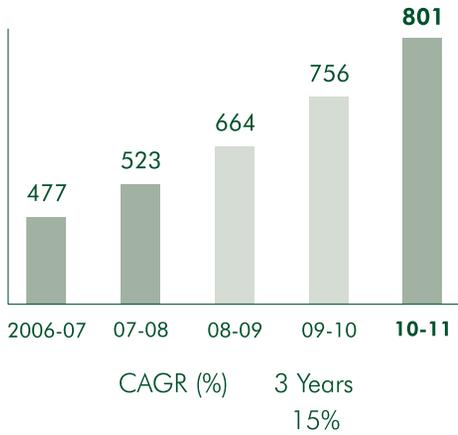
HIL has now made a foray into the renewable energy sector, in line with the company's mission to pursue green businesses.

The initial step was taken by setting up a 3.6MW Wind Power Project in Vandhiya Village, Kutch Dist., Gujarat.

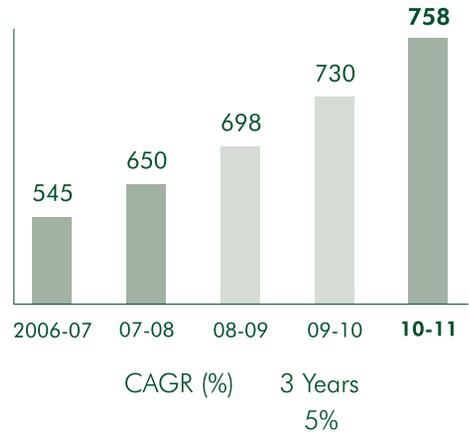




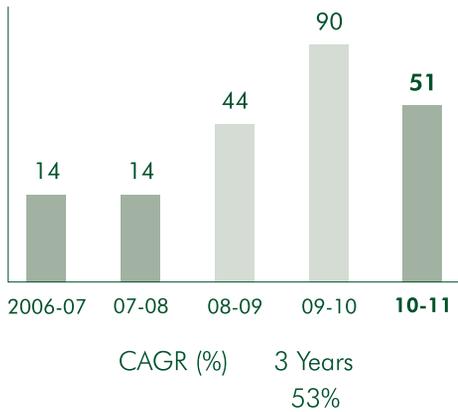
Gross Revenue (Rs. in Crore)



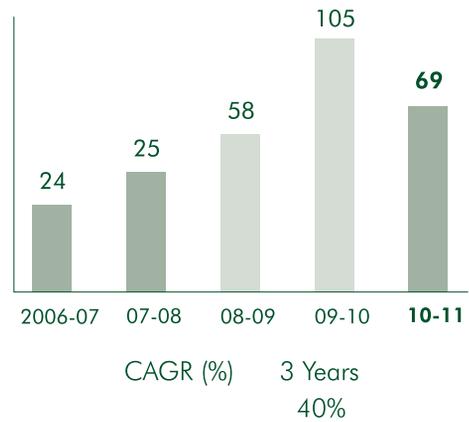
Sheeting Sales (in '000 MT)



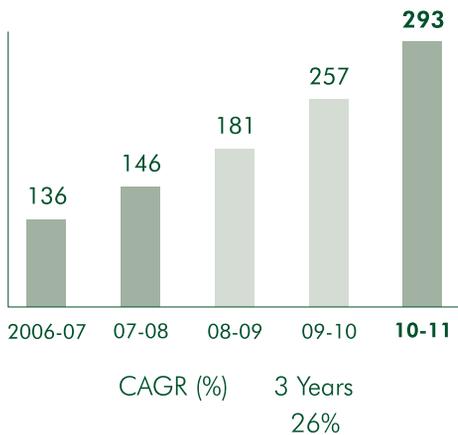
Profit after Tax (PAT) (Rs. in Crore)



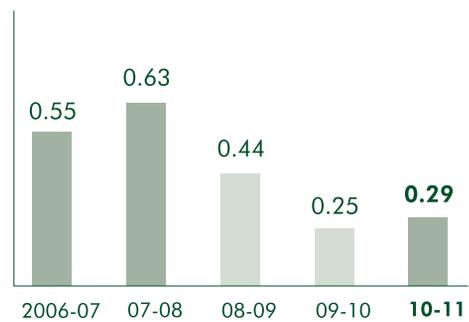
Cash Profit (Rs. in Crore)



Net Worth (Rs. in Crore)



Debt-Equity Ratio





TO THE SHAREHOLDERS

The Directors have pleasure in presenting their Report and the Audited Accounts of the Company for the year ended 31st March 2011.

FINANCIAL RESULTS

Rs. in lacs
2010-2011 2009-2010

Profit before Interest, Depreciation, Exceptional Items and Taxation	9759.27	15772.12
Less: Interest Depreciation	550.53 1794.93	625.14 1554.71
Profit before Exceptional Items & Taxation	7413.81	13592.27
Exceptional Items	-	18.37
Profit after Exceptional Items	7413.81	13573.90
Taxes	(2353.39)	(4602.08)
Profit after Tax	5060.42	8971.82
Balance as per last year	4262.68	5181.10
AVAILABLE FOR APPROPRIATION	9323.10	14152.92
APPROPRIATION		
General Reserve	3000.00	8493.30
Interim Dividend on Equity Shares	447.75	447.75
Proposed Final Dividend on Equity Shares	746.26	746.26
Corporate Dividend Tax	195.43	202.93
Balance carried to Balance Sheet	4933.66	4262.68

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 2010-11 would be Rs. 16/- per share (160% of the paid-up equity capital).

The total dividend outgo would be Rs 1389.44 lacs (including dividend distribution tax)

OVERALL ECONOMY

The Indian Economy in 2010-11 has been considered as one of the fastest growing economies of the world, and is known to have made one of the most rapid recoveries after the global financial meltdown of 2008-09 and the affect of two poor monsoons in 2008-09 & 2009-10. Although the monsoon in 2009-10 was poor which resulted in unsatisfactory yield of Kharif crop, the recovery of both agricultural and manufacturing sectors in the early months of 2010 resulted in an overall GDP of 8.6% in 2010-11. However, the agricultural GDP rate of 0.4% in 2009-10, and unseasonal rains affecting winter crops in 2010-11, combined with high inflation has resulted in lower demand and absence of growth in our industry.

High inflation continues to be an area of concern for the common man and was a serious challenge for the Government during 2010-11. Driven mainly by food inflation and increasing cost of living, Government was compelled to take stern actions such as raising the interest levels. The weaker segments of the population were affected the most, which to a large extent explains the lack of growth in demand for some of the rural/semi-urban products including the fibre cement roof sheeting.

However, the medium to long-term prospect of the economy, including the infrastructure and industrial sectors, continue to remain positive. India is today rated as one of the most attractive investment destinations across the globe. In 2011-12 the growth in our industry is expected to be between 5% to 7%.

PERFORMANCE

In the year 2010-11 the Company's revenue increased to Rs. 801 Crores, a growth of 6% over the previous year and a CAGR of 12% in the last 5 years.

Sales, in quantity terms, of Fibre Cement Sheets increased by 4% over the previous year, as compared to 2% growth in the industry. Poor monsoon in 2009-10 coupled with high inflation had an impact on the spend for new shelter or upgradation. The Industry saddled with excess capacity faced severe pricing pressure. In spite of escalation in raw material prices the Industry could not pass on the increase to its customers. On account of these two major factors, the Industry saw a drop in profitability. HIL increased its sales volume and market share marginally over the previous year due to it's competitive strength.



The Fibre Cement Sheet Industry is estimated to grow at about 5% - 7% in financial year 2011-12 on account of good monsoon in 2010-11, increase in rural income on account of record agriculture production coupled with increase in minimum support price. The housing shortage continues to be large which offers opportunity for growth. With the additional capacities established and further enhancement in capacity planned during the year, your Company is confident of maintaining its market leadership.

Implementation of Government of India's infrastructure development projects have started gaining momentum. This together with other Government sponsored initiatives in providing homes and schools for the masses in general and the poor in particular is expected to increase demand for construction materials.

Green Building Products

Emphasis on environment and preference for Green building products remains a focus area for the construction Industry. The Company's drive in growing the Green Building Products business also met with considerable success.

Aerocon Panels

Aerocon Panels, used for construction of prefab structures and partition walls, has been extensively used in the infrastructure sectors like roadways, irrigation, power plants, airports etc and also in the construction of malls, schools, colleges etc.

The production in quantity terms of Aerocon Panels has increased by 40% and the sales have increased by 39% respectively over the previous year. The business is expected to grow in excess of 25 % p.a. for next few years.

Aerocon AAC - Blocks

The Aerocon Blocks, another key offering of the Company as part of its Green Building Products initiative, also registered a good growth in 2010-11. This was possible due to the newly commissioned Plant at Golan. After the stabilization period of six months of operation, the Golan plant is operating at above 60% of its capacity. This has helped your Company to capture significant portion of the markets in west and south in a short time amidst intense competition, which is a reflection of the Company's aggressive and successful strategies in developing this business. The division will continue to grow in volumes in the coming year, although there will be pressure on prices as competition is likely to intensify further with new entrants in the market. However, the high acceptance of our

Aerocon brand and our focus on quality and reliability will help the company to grow this business.

The Company has started offering **building solutions** to its customers, which will help the customers use our products more efficiently and utilize the full value of these products.

Production and Sales, in quantity terms, of AAC Blocks have increased by 42% and 63% respectively over the previous year largely contributed by our newly commissioned Gujarat facility.

Thermal Insulation

During 2010-11, the Thermal Insulation product, which faced capacity constraints also suffered due to surge in imports from China. The augmented capacity, improvements in efficiency and costs will help in recovery of this product segment in 2011-12.

Production and Sales, in quantity terms, of Thermal Insulation products have decreased by 20% and 21% respectively over the previous year on account of the reasons cited above.

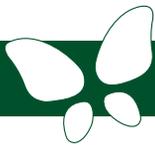
NEW PROJECTS

During the year under review the Company started commercial production of its AAC Blocks manufacturing unit at Golan, near Surat, Gujarat in July 2010. This unit will help the company to cater to the growing market for AAC Blocks in the western part of the country, as the demand for this product is expanding due to its inherent advantages of being environment friendly, light weight, good compressive strength and providing better heat insulation.

Wind Power :- The Company has forayed into renewable energy sector in the year under review, in line with the Company's mission of pursuing green businesses. HIL took the initial step by setting up a 3.60 MW (2x1.80MW) Wind Power Project in Vandhiya Village, Kutch Dist, Gujarat. The two Wind Turbines have been commissioned in March and April 2011, respectively. A part of the energy generated from the project shall be used for captive consumption at our AAC Blocks manufacturing unit at Golan, Gujarat and the surplus energy generated shall be sold to Gujarat Electricity Board.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A Report on Management Discussion & Analysis is appended as Annexure (IV) to this report as per the requirements of Listing Agreement with the Stock Exchange(s).



DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Shreegopal Daga and Mr. Yash Paul, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and, being eligible, will be offering themselves for re-appointment.

For Directors seeking re-appointment in the forthcoming Annual General Meeting of the Company; the particulars as required to be disclosed in accordance with Clause 49 (Corporate Governance) of Listing Agreement, forms part of Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors' Responsibility Statement as required under the provisions of Section 217 (2AA) of the Companies Act, 1956, is given in the Annexure (I) attached hereto and forms part of this Report.

CORPORATE GOVERNANCE

The Company has been making every effort to improve governance and transparency in the conduct of business. Your Company is committed to good Corporate Governance with ethical corporate practices. As per the requirements of Listing Agreement with the Stock Exchanges, a Compliance Report on Corporate Governance for the year 2010-11 and a Certificate from the Auditors of the Company are furnished as part of this Annual Report.

The Ministry of Corporate Affairs has issued Corporate Governance Guidelines in December, 2009. While these Guidelines are recommendatory in nature, the Company has already adopted most of the Guidelines. The Company will be reviewing its Corporate Governance Practices in the context of other recommendations under the said Guidelines for appropriate adoption.

HUMAN RESOURCES DEVELOPMENT

The Company's growth and profitability plans can be achieved only through a competent and motivated team of employees. Various initiatives towards having high quality talent, retaining talent and training have been put in place.

A separate cell PACE (Performance And Career Enhancement) has been established to design talent development plans that ensures attracting and retaining the talent and prepare them for taking up critical positions in the future.

We have rolled out the YUVA (Young Unique Vibrant Achievers) programme under which high calibre young talent is hired from top ranking institutes to create a pipeline of talent within the company.

The Industrial Relations at all plants of HIL continue to be cordial, except for the disturbance in our Dharuhera Plant for a period of four weeks.

AUDITORS

The Statutory Auditors of the Company, M/s. S.R.Batliboi & Associates., who retire at the conclusion of ensuing Annual General Meeting, being eligible, offer themselves for re-appointment.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure (ii) attached hereto and forms part of this Report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other required particulars of the employees are set out in Annexure (III) attached hereto and forms part of this Report.

ACKNOWLEDGEMENTS

The Board of Directors places on record their appreciation for the co-operation and support extended by all stakeholders in the Company including the Shareholders, Bankers, Suppliers and other Business Associates.

The Directors also wish to place on record their appreciation of all the employees for their commitment and contribution towards achieving the goals of the Company.

On behalf of the Board of Directors

C.K. BIRLA
Chairman

New Delhi, 27th April, 2011

**Annexure (I): Directors' Responsibility Statement**

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 and on the basis of compliance certificate received from the executives of the Company and subject to disclosures in the Annual Accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, and to the best of their knowledge and information furnished, the Board of Directors states:

- i) That in preparation of the Annual Accounts for the year ended 31st March, 2011; all the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- ii) That the Directors have adopted such accounting policies, as selected in consultation with Statutory Auditors, and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended 31st March, 2011.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Annual Accounts for the year ended 31st March, 2011, has been prepared on a going concern basis.

On behalf of the Board of Directors

New Delhi, 27th April, 2011

C.K. BIRLA
Chairman

Annexure II**Annexure (II): Statement of particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988****Conservation of Energy**

To conserve and optimize the use of energy, the Company has been installing energy efficient blowers, vacuum pumps, backwater pumps and other equipment in all its plants. Energy efficient lighting system and modernized mechanical devices / systems were also installed for optimum usage of power. Strict controls are exercised in operation of the plants for optimum usage of Power and Fuel. In pursuit of reducing carbon footprint, your Company in addition to using renewable fuel in place of Furnace oil in one of the plants, has setup a 3.60 MW Wind Power Project at Vandhiya village, Kutch Dist, Gujarat. A part of the energy generated from the wind power plant shall be used for captive consumption at the Company's unit in Golan, Gujarat. Your Company is making constant efforts to explore further areas of improvement as part of ongoing program to optimize usage of energy.



Total energy consumption and energy consumption per unit of Production as per "Form A" of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

FORM A

Form for disclosure of particulars with respect to conservation of energy:

(A) Power and Fuel Consumption

	2010-11	2009-10
1. Electricity		
a. Purchased		
Units (lacs KwH)	27.83	20.75
Total amount (Rs. in lacs)	145.99	92.20
Rate/Unit (Rs./KwH)	5.25	4.44
b. Own Generation		
i) Through Diesel Generator		
Units (lacs KwH)	10.46	17.00
Units per Litre of Diesel Oil	3.16	3.20
Cost/Unit (Rs.)	11.12	9.72
ii) Through Steam Turbine/Generator	-	-
2. Coal	-	-
3. Furnace Oil/LDHS		
Quantity (K.Ltrs.)	802	1432
Total amount (Rs. in lacs)	214.12	334.76
Average Rate (Rs./K.Ltrs.)	26689	23371
4. Others/Internal generation	-	-

(B) Consumption per unit of production

Thermal Insulation Products (Refractories)		
Electricity (KwH/MT.)	821	645
Furnace Oil/LDHS (Litres/MT.)	698	714
Coal	-	-

FORM B

Form for disclosure of particulars with respect to Technology Absorption:

Research and Development (R&D)

1. Specific areas in which R&D is carried out by the Company:
 - a. Develop substitutes for raw materials to address issues of declining availability and for cost savings.
 - b. Developing new mix of raw materials for better product attributes and lower costs.
 - c. Improving cost effectiveness and quality of products through new, improved manufacturing processes, productivity improvements.
 - d. Effective utilization of resources like energy, water and waste materials.
 - e. Development of new, improved and value added Green Building Products.
 - f. Develop new applications for our existing products.
2. Benefits derived as a result of the above R&D:
 - a. Usage of cost-effective raw materials resulted in cost savings.
 - b. Introduction of value added products helped in increasing customer base.
3. Future Plan of Action:

Continuation of work in areas specified at S.No.1 to further improve our products, develop new products and technologies.
4. Expenditure on R&D:

2010-2011 (Rs. In lacs)	
a. Capital	8.40
b. Recurring	155.62
c. Total	164.02
d. Total R&D expenditure as a Percentage of total net turnover	0.23%


Technology Absorption, Adaptation and Innovation:

- The Company is continuously endeavoring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product. The Company has successfully achieved results in reducing the cost of production, power consumption and improving technical efficiencies.
- Particulars of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):
None

Foreign Exchange Earnings and Outgo:

Efforts to identify export opportunities for the products of the Company continued during the year under review. The Company is exploring other offshore markets to increase the quantum of exports, particularly in the Middle East, Asian, Far East and African countries.

Total Foreign Exchange used and earned:
A Foreign Exchange Earned

Export of Goods (FOB)
Others

Total
B Foreign Exchange Used

Raw Materials, Components, Spares and Capital Goods (CIF)
Other matters

Total
2010 - 11

(Rs. in lacs)

160.28

64.89

225.17

19698.41

65.45

19763.86

On behalf of the Board of Directors

C.K. BIRLA
Chairman

15

New Delhi, 27th April, 2011

Annexure III
PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011.

Name & Qualifications	Designation & Nature of Duties	Remuneration (in lacs Rs.)	Age (years)	Date of Joining	Total experience (Years)	Last Employment /duration of service (years)
Mr. Abhaya Shankar B.Tech (Mech) IIT, Kanpur MBA(PGDM) IIM, Calcutta	Managing Director	141.04	55	01.02.2008	30	Tenneco Automotive India Private Limited/(10)

NOTES:

- Remuneration includes actual payments and / or taxable value of perquisites and Company's contribution to Provident and other Funds.
- Nature of appointment - Contractual
- Other terms and conditions - As per rules of the Company.
- None of the employee is a relative of any Director of the Company.

On behalf of the Board of Directors

C.K. BIRLA
Chairman

New Delhi, 27th April, 2011



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The overall growth of Gross Domestic Product (GDP) at factor cost at constant prices was 8.6% in 2010-11. All the sectors of the Indian Economy witnessed a decent growth during the year with an increase of 5.4% in agriculture and allied activities, a growth of 8.1% in manufacturing and 9.6% in services as compared to a growth of 0.4%, 8.0% and 10.1% respectively during 2009-10.

India is today rated as one of the most attractive investment destinations across the globe. India ranks first in the Nielsen Global Consumer Confidence survey released in January 2011. It is considered to be one of the fastest growing markets in the world. The UNCTAD World Investment Report (WIR) 2010, in its analysis of the global trends and sustained growth of Foreign Direct Investment (FDI) inflows, has reported India to be the second most attractive location for FDI for 2010-2012. In a first of its kind step, Brazil, Russia, India, China and South Africa (BRICS) a five-nation grouping of fastest growing economies has signed an agreement in April, 2011 under which BRICS countries will be able to issue credit or grants to each other in their own currency.

In the year 2011-12, the Indian economy is expected to grow at approximately 8.2% as per the latest IMF forecast. Inflation is anticipated to be lower in 2011-12 with the measures being taken by both the Government and the RBI.

During the year, most of the input costs were on a rising trend because of high inflation witnessed during the year, which has impacted the operating margins of the Company despite various cost cutting measures.

INDUSTRY AND COMPANY TREND

With the construction industry expected to grow at a double digit rate and with increasing preference for green buildings, we anticipate an increasing preference for our green building products. Fibre cement roofing industry has not shown much growth during the year under review mainly on account of lack of adequate disposable income of the rural households. However, demand for fibre cement roofing

products is showing signs of recovery which is expected to improve sales growth in 2011 - 12.

The industry witnessed significant addition in capacities in 2010-11 both by the existing players and the new entrants. These production capacities coupled with less than expected growth in demand has led to pressure on pricing and sales volumes. The Company also faced severe competition in the market from competing substitute products, such as, GI Corrugated Sheets on account of fall in steel prices. Despite this your Company was able to achieve a growth rate of about 4% in quantity terms, which is better than the industry growth estimated at 2%.

Your Company continues its thrust on promoting Green Building Products. AAC Blocks which are environment friendly, with its inherent advantages such as a favourable weight to compressive strength ratio, usage of fly ash and energy saving property are fast becoming the choice of the new generation builders. Due to these factors, our Green Products are also garnering attraction of the building community and the Company's drive in growing this division has met with considerable success.

BUSINESS SEGMENT ANALYSIS

The Company's business can broadly be classified into two groups i.e. Building Product Group and Thermal Insulation Product Group:

(A) BUILDING PRODUCT GROUP

1. Fibre Cement Sheeting Business Division
 - a. Fibre Cement Corrugated Sheets (PVA and Chrysotile Fibre)
 - b. Flat Products
2. Green Building Products Business Division
 - a. Autoclaved Aerated Concrete (AAC) Blocks (Light Weight Bricks)
 - b. Aerocon Panels

(B) THERMAL INSULATION PRODUCT GROUP

- a. Calcium Silicate Insulating Materials



(A) BUILDING PRODUCT GROUP

This segment consists of Fibre Cement Corrugated Sheets, Autoclaved, Aerated Concrete Blocks and Aerocon Panels. Fibre Cement Sheets and flat products continued to be the major revenue generator for the Company accounting for about 86% of Company's sales Revenue. Your Company is the market leader in the fibre cement roofing industry, with a market share of 20%.

The Aerocon Blocks registered a growth of about 63% over previous year. This was possible due to the newly commissioned unit of the company at Golan. In a fairly short period of operation, the Golan plant has achieved over 60% of capacity utilization. The capturing of a significant portion of the market in south and west, in a short time, amidst intense competition, is a reflection of the Company's aggressive and successful strategies in developing this business. With the right pricing we anticipate this product to witness significant growth in volumes as the builders convert from conventional red clay bricks to our green AAC Blocks.

Aerocon Panels, used for construction of prefab structures and partition walls, have been extensively used in the infrastructure sector like roadways, irrigation, power plants, airports etc and also in the construction of malls, schools, colleges etc. The division posted robust growth of over 39% during the year under review and is expected to continue to grow in excess of 25 % p.a. for next few years.

(B) THERMAL INSULATION PRODUCT GROUP

This group of Calcium Silicate based insulating materials supplies to industries such as cement, power, petrochemical and fertilizer plants. Due to their superior properties and high quality, the Company's products have gained good acceptance over its substitutes. Efforts are being made for developing new applications to expand the market size. The Company was forced to briefly shut down its Dharuhera plant because of certain labour and regulatory issues, which resulted in decline in revenue from this segment.

Demand for insulation products is increasing due to fresh investments in green field projects as well as replacement and modernization of plants in the Cement, Fertilizer, Petrochemicals and other industries.

OUTLOOK FOR THE COMPANY

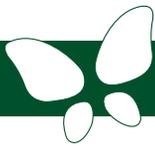
Over 50% of the Indian population still lives under thatched roofs (Kuccha roofing) and clay tiles. Thatched roof is not waterproof, and poses a fire hazard besides needing regular replacement. Tiled roof needs recurring maintenance and is also not safe. Hence security concern coupled with rising income level, the desire to shift from kuccha house to pucca house is increasing.

A reasonably good monsoon in 2010-11 and Government's continued thrust to provide adequate shelter to the rural poor by introducing programs like Indira Awas Yojna, Golden Jubilee Rural Housing Finance Scheme, Pradhan Mantri Adarsh Gram Yojna, Productive Housing in Rural Area and Rural Housing Fund will boost the demand for building products and increase the market potential for fibre cement sheets.

With a healthy growth in GDP and expectation of a robust demand from rural India coupled with higher disposable income in hand, the fibre cement sheet industry is likely to grow between 5% to 7% annually. Your Company being a market leader over several years with its strong brand "**CHARMINAR**" and a strong & extensive distribution network with nearly 8000 sales points spread across the country which is serviced by its 8 manufacturing locations and 45 depots, is well poised to capitalize on the opportunities in rural India where various housing and infrastructure initiatives are envisaged by the Government.

Issues like diminution of fertile soil, emission of fossil fumes, global warming becoming the key concern across the world, there is need to switch over to products and methods that mitigate these concerns. Company's Green Building products which are environment friendly are garnering the attraction of building community in the last few years. The division will continue to grow in volumes in the coming year, however, there will be pressure on prices as competition is likely to intensify as new entrants are expected in the market. Robust growth in rural income on back of vigorous Government focus, turnaround in industrial and capital goods sectors are expected to accelerate the demand for building and thermal insulation products.

The high acceptance of our **Aerocon** brand and our focus on quality and reliability will help the Company grow this business by a healthy 25% in 2011-12. Our solutions support will help the customers use our products more efficiently.



The Thermal Insulation Division, which faced several constraints including a surge in competition from imports from China last year, is expected to do well in the coming year as the demand for insulation products is increasing on account of fresh investments in green field projects and replacement and modernization of plants in the Cement, Fertilizer, Petrochemicals and other industries. The augmented capacity, improvements in efficiency, world class quality and reliability will help counter the Chinese threat as well as help get back some of our large customers.

With the recent capacity augmentation in allied building products and thermal insulation business, focused approach on better marketing efforts, cost reduction measures and productivity improvement through **TPM** (Total Productive Maintenance) practices, your Company is well placed to take advantage from the mounting demand in the industry.

RESEARCH AND DEVELOPMENT

We are committed to investing in world-class technology development, particularly in Green Building Products (GBP). The technology innovations that will deliver our next generation of Building Products, will use new materials and applications with emphasis on green practices. Our R & D activities range from designing and developing new products, refining manufacturing process, and conducting research in technologies for total building solutions.

Our efforts are directed towards developing energy efficient and pollution free process, for business continuity, cost reduction and enhancement of product quality. Well experienced, qualified and fully dedicated team is actively working with our Business Development team in these areas.

The Research and Development (R&D) Centers of the Company at Hyderabad and Faridabad are recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

Project Management, Innovation and Six Sigma processes are some of the new initiatives implemented at R & D.

Risks

A formal Risk Management Plan has been adopted by the Company. The process of risk assessment, its mitigation, monitoring and reporting is being handled by the Corporate

Risk Management Committee. Implementation and review of the risk management initiatives are periodically reported to the Board, which helps in identification of new risk areas, their impact on the business, and to initiate risk mitigation strategies, as may be necessary well in advance to reduce the impact of the risk.

The major constituents of building products of our Company are OPC Cement, Raw Chrysotile, Fly-ash and Lime.

Cement prices are volatile and availability is a constraint in some regions and thus we are taking steps to strengthen our supplier base.

Using Chrysotile Asbestos safely pose no health risk to the workers in fiber cement plants and definitely no risk to the users, which has been established scientifically. However, lobbying for banning asbestos by some groups with vested business interest continues. Asbestos cement product industry in India relies upon scientific and medical facts. Data of last 25 years have proven that Chrysotile Asbestos can be used safely under controlled conditions under which it poses no risks to its workers and the users.

Utilising high quality systems for dust suppression, extraction and collection, the fiber dust levels measured in all units of your Company are much lower than internationally specified permissible levels. The Company is confident that there will not be any risk of asbestos related disease in the employees at current levels of exposure.

The Asbestos Information Centre (AIC) and Asbestos Cement Products Manufacturing Association (ACPMA), promoted by Indian Manufactures have been advocating safe/controlled use/health hazard potentials programs and campaigns to highlight the differences between the safe white Asbestos (Chrysotile) and other (blue and brown) types of Asbestos. The educational campaigns and appropriate representations made by these bodies have resulted in better appreciation of scientific facts amongst the policy and decision makers. Thus the possibility of restriction or ban on use of Chrysotile fibre (Chrysotile Asbestos) seems remote.

During the month of January 2011, the Hon'ourable Supreme Court of India, while disposing of a Public Interest Litigation numbered as Writ Petition (Civil) No. 260 of 2004, filed by an NGO - Kalyaneshwari (Petitioner),



observed that **"the petition lacks bona fide as a proxy litigation for the purpose of achieving private interest"** and rejected the prayer of the said Petitioner for banning of mining and manufacturing activities in Asbestos or its allied products. This Judgement should give respite to industry from the pressure of "ban asbestos" lobbyists.

Cost of fly-ash which was earlier procured either free or at a low price from the thermal power stations, has now increased many fold which has increased Company's cost of production.

INTERNAL CONTROL SYSTEMS

Your Company has in place adequate internal control systems and procedures commensurate with the size and nature of its operations. Internal control systems comprising of policies, rules and procedures are designed to ensure sound management of your Company, guaranteeing safekeeping of your Company's assets, efficiency and effectiveness of your Company's operations, reliability of financial information and compliance with laws and regulations.

The Internal audit function covers the routine audit, management audit and special audits which ensures that the systems are in place to closely monitor and evaluate the efficiency and adequacy of internal control systems. The Internal Audit team continuously monitors the effectiveness of internal control systems. It reports to the Audit Committee on the audit carried out across your Company's locations. These reports are reviewed by the Audit Committee periodically. The Audit Committee separately holds discussions with the Statutory and Internal Auditors about the adequacy, effectiveness and functioning of the internal control systems. Any irregularity or significant issues are brought to the notice of the Audit committee of the Board along with action taken / proposed to be taken by the Management. The composition and working of audit committee forms part of Corporate Governance Report.

SYSTEMS

With the help of Information Technology Initiatives like ERP (SAP) implementation, Lotus Notes messaging, Intranet

Portal "CHETNA" to trigger paperless activity on Leave Management, CAPEX process and Travel application etc., your Company has started reaping the benefits of automation. The Company also launched its new dynamic website in line with the changing trends with the intent to simplify the Company's web content duly adopting CMS [Content Management System] procedures. With an objective to strengthen the Decision Support System, your Company has started its journey of SAP BI (Business intelligence) implementation, which is targeted to be implemented and institutionalized during the FY 2011-12. Also, to make risk management, regulatory compliance and safe productive operations a standard and a consistent practice, your Company is initiating the automation of GRC (Governance Risk and Control), which will provide a unified support for Management, monitoring and analysis of Companies risk and compliance activities.

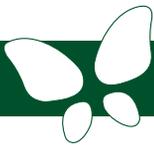
HUMAN RESOURCE DEVELOPMENT/ INDUSTRIAL RELATIONS

The Management of the Company believes that the human resource is its most valuable asset and it needs to be continuously nurtured with the changing business environment. The Management of the Company is committed to the welfare and career growth of its people; by maintaining personal contact and a friendly approach in dealing with colleagues.

The Company is continuously utilizing well diversified recruitment methodologies and sources. To meet the challenges of the future and develop the required competency, the Company has started in-house training and development programmes.

The Industrial Relations at all plants of HIL continue to be cordial except for disturbance in our Dharuhera plant for a period of four weeks,. The wage agreement for the workers attached to the Hyderabad & Thimmapur units are under negotiation and Management expects an amicable settlement during the current year.

As on 31st March, 2011, the Company had 2050 employees.



ENVIRONMENT, HEALTH & SAFETY

The Company believes that a clean environment in and around the work place fosters health and prosperity for the individual, the group and the community they belong to. Regular medical examinations of employees and health care schemes are an integral part of the Company's policy. Health surveillance of employees adhering to national regulations and ILO recommendations is an ongoing process. We ensure that best environment engineering controls are adopted in the factories. Also these controls helps in preventing health hazards. We have been successful in preventing occupational health hazards. The Company follows the best practices and is committed to protect the environment. The Pollution control equipment installed in our Plants ensures achievement of internationally best emission norms which are recommended to be followed elsewhere in the world.

The Company's policies give highest priority to safety, employees health and environment protection.

CAUTIONARY STATEMENT

Statements in the Directors Report including Management Discussion & Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations and reflects only the Management's perception and assessment. Actual results may differ materially from those expressed in the statement and the Company assumes no responsibility in respect of forward looking statements made herein which may undergo changes in the future. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, exchange rates, changes in Government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.



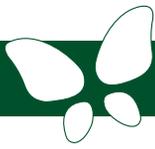
TO
THE MEMBERS OF HYDERABAD INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Hyderabad Industries Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **S.R. BATLIBOI & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm registration number: 101049W

Per Vikas Kumar Pansari
Partner
Membership No.: 093649

Place : New Delhi
Dated: April 27, 2011



Annexure referred to in paragraph 3 of our report of even date

Re: Hyderabad Industries Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a policy of carrying out the physical verification of fixed assets in a phased manner to cover all fixed assets over a period of three years. Accordingly, some of the fixed assets have been verified during the year. No material discrepancies were noticed on such verification. The frequency of physical verification in our opinion is reasonable having regard to the size of the Company and the nature of its assets.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loan to a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.508.17 Lacs and the year end balance of loans granted to such parties was Rs.Nil.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest have been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.



Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

<i>Name of the statute</i>	<i>Nature of dues</i>	<i>Amount (Rs. in lacs)</i>	<i>Period to which the amount relates</i>	<i>Forum where dispute is pending</i>
Tamil Nadu General Sales Tax Act, 1959 & Central Sales Tax Act, 1956	Sales tax on enhanced turnover due to certain disallowance	10.41	1990-91, 1994-95, 1997-98, 2000-01, 01-02 & 02-03	Hon'ble Supreme Court of India, Sales Tax Appellate Tribunal, Appellate Asst. Commissioner, Chennai
Tamil Nadu General Sales Tax Act, 1959 & Central Sales Tax Act, 1956	Sales tax Deferment not allowed	7.48	2000-01, 2001-02 & 2002-03	Appellate Assistant Commissioner, Chennai
Andhra Pradesh General Sales Tax Act, 1957	Disallowance of Concessional Rate of Tax	1.53	1985-86	Hon'ble High Court of Andhra Pradesh
West Bengal Sales Tax Act, 1994, Central Sales Tax Act, 1956	Sales Tax Demand	265.92	2001-02, 2002-03, 2003-04 2004-05, 2005-06	Hon'ble High Court of West Bengal, Kolkata, Appellate & Revisional Board
Bihar Finance Act, 1981	Local Sales Tax Demand	699.57	2000-01, 2001-02, 2002-03	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Bihar Finance Act, 1981	Demand of Entry Tax	28.57	2003-04	Assistant Commissioner of Commercial Taxes
Bihar Finance Act, 1981	Sales Tax Demand	23.44	2002-03, 2003-04	Dy. Commissioner, Dhanbad
Entry Tax of Goods Act, 1930	Demand of Entry Tax including Interest	96.23	2007-08	Hon'ble High Court of Allahabad, Lucknow



Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Other State/Central Sales Tax Acts	Local Sales Tax Demand, Freight Rebate disallowed, Entry Tax on Stock Transfers & Misc. Disallowance	250.55	1993-94, 1997-98, 1999-2000, 2000-01, 2001-02, 2004-05, 2005-06, 2006-07, 2007-08	Deputy Commissioner (Appeals), Hon'ble High Court of Rajasthan, M P Commercial Tax Appellate Tribunal, Deputy Commissioner Commercial Tax (Appeals), Commissioner of Commercial Taxes Jharkhand, Assisstant Commissioner ST (Appeals) Bhubaneshwar, Appellate Authority Commercial Taxes Ghaziabad, Deputy Commissioner (Revision) Thane, Hon'ble Supreme Court of India, Additional Commissioner (Sales Tax) Berhampur. Sr.Joint Commissioner Sales Tax West Bengal, Joint Commissioner (Appeals) Dhanbad, Joint Director Enforcement Jalandhar, Excise Taxation Officer Chandigarh, Joint Commissioner Appeals Ghaziabad.
Other States like Jharkhand, Maharastra under Central Sales Tax Act, 1956.	Sales Tax Demand	348.36	2004-05, 2005-06, 2006-07 & 2007-08	Commissioner of Commercial Taxes, Jharkhand, Dy. Commissioner (Revision), Thane
Central Excise Act, 1944	Excise Duty Demand due to certain disallowance	11.11	1988-89, 1990-91, 1994-95, 1996-97 & 1997-98	Commissioner of Central Excise, New Delhi, Commissioner Appeals of Central Excise, West Bengal & Commissioner of Central Excise, West Bengal
Central Excise Act,1944	Excise Duty Demand including Penalty	1110.32	April 2004-Dec. 2008, 2007-08, 2008-09, 2009-10	Commissioner of Appeals, Customs Excise & Service Tax Appellate Tribunal
Income Tax Act, 1961	Wealth Tax Demand	56.98	1993-94 to 1997-98	Hon'ble High Court of Andhra Pradesh, Hyderabad.



- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to information and explanations given to us, during the period covered by our audit report, the Company had issued 15 unsecured non convertible debentures of Rs.100 lacs each. However the same were redeemed during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S.R. BATLIBOI & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm registration number: 101049W

Per Vikas Kumar Pansari
Partner
Membership No.: 093649

Place : New Delhi
Dated: April 27, 2011



Balance Sheet as at 31st March, 2011

	Schedule	Rupees in lacs	
		31st March 2011	31st March 2010
I. SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	748.98	748.98
Reserves and Surplus	2	29078.09	25428.62
		29827.07	26177.60
Loan Funds			
Secured Loans	3	4674.48	3202.35
Unsecured Loans	4	3912.50	3227.27
		8586.98	6429.62
Deferred Payment Liabilities.		9.04	33.76
Towards Voluntary Early Retirement Scheme (Payable within one year Rs. 9.04 lacs - Previous Year Rs. 24.72 lacs)			
Deferred Tax Liabilities (Net)	5	2803.88	2019.38
		41226.97	34660.36
II. APPLICATION OF FUNDS			
Fixed Assets	6		
Gross Block		42086.07	32111.01
Less: Accumulated Depreciation/Amortisation		15378.18	13751.46
Net Block		26707.89	18359.55
Capital work-in-progress including capital advances		2830.26	6658.80
Expenditure during Construction Period		23.87	249.55
		29562.02	25267.90
Investments	7	911.22	922.67
Current Assets, Loans and Advances			
Inventories	8	15151.33	13851.13
Sundry Debtors	9	6264.65	5235.21
Cash and Bank Balances	10	1051.09	1050.11
Other Current Assets	11	377.01	282.37
Loans and Advances	12	2479.87	1908.67
		25323.95	22327.49
Less: Current Liabilities and Provisions	13		
Current Liabilities		13103.83	12358.94
Provisions		1466.39	1498.76
		14570.22	13857.70
Net Current Assets		10753.73	8469.79
		41226.97	34660.36
Notes to Accounts	22		

Schedules 1 to 13 and 22 referred to above form an integral part of the Balance Sheet.

As per our Report of even date
For S.R.Batliboi & Associates
Firm registration number : 101049W
Chartered Accountants

For and on behalf of the Board of Directors

Per Vikas Kumar Pansari
Partner
Membership No.093649

Ashok Soni
C F O

C.K. Birla
Chairman

Place : New Delhi
Dated : 27th April, 2011

P. Rajesh Kumar Jain
Company Secretary

Abhaya Shankar
Managing Director



	Schedule	Rupees in lacs	
		2010-11	2009-10
INCOME			
Turnover (Gross)		80138.73	75636.66
Less: Excise Duty		7750.74	5268.16
Turnover (Net)		72387.99	70368.50
Other Income	14	1009.40	624.89
		73397.39	70993.39
EXPENDITURE			
Raw Materials Consumed	15	37891.09	36169.59
Purchase of Gods for trading		895.06	-
Personnel Expenses	16	6428.42	5572.13
Operating and Other Expenses	17	18199.46	16817.58
(Increase)/Decrease in Inventories	18	224.09	(3338.03)
Interest	19	550.53	625.14
		64188.65	55846.41
PROFIT BEFORE DEPRECIATION/AMORTISATION, EXCEPTIONAL ITEMS AND TAXATION			
		9208.74	15146.98
Depreciation/Amortisation		1811.89	1571.67
Less: Transfer from Revaluation Reserve		16.96	16.96
		1794.93	1554.71
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAXATION			
		7413.81	13592.27
Exceptional Items	20	-	18.37
PROFIT BEFORE TAXATION			
		7413.81	13573.90
Provision for Current Income Tax (Including Rs. Nil (Previous year Rs. 52.05 lacs) for earlier years)		(1568.89)	(4452.05)
Deferred Tax (Charge)		(784.50)	(150.03)
Total Tax (Expenses)		(2353.39)	(4602.08)
PROFIT FOR THE YEAR			
		5060.42	8971.82
Balance as per last year		4262.68	5181.10
AVAILABLE FOR APPROPRIATION			
APPROPRIATIONS			
General Reserve		3000.00	8493.30
Interim Dividend on Equity Shares		447.75	447.75
Proposed Final Dividend on Equity Shares		746.26	746.26
Corporate Dividend Tax		195.43	202.93
Surplus Carried to Balance Sheet		4933.66	4262.68
		9323.10	14152.92
Earnings Per Share (EPS) (Rs.)	21		
Basic and Diluted (Nominal Value of Shares Rs.10 (Previous Year Rs.10))		67.81	120.22
Notes to Accounts	22		

Schedules 14 to 22 referred to above form an integral part of the Profit and Loss Account.

As per our Report of even date
 For S.R.Batliboi & Associates
 Firm registration number : 101049W
 Chartered Accountants

For and on behalf of the Board of Directors

Per Vikas Kumar Pansari
 Partner
 Membership No.093649

Ashok Soni
 C F O

C.K. Birla
 Chairman

Place : New Delhi
 Dated : 27th April, 2011

P. Rajesh Kumar Jain
 Company Secretary

Abhaya Shankar
 Managing Director



Cash Flow Statement

	Rupees in lacs	
	2010-11	2009-10
A. Cash flow from operating activities		
Net Profit before tax	7413.81	13573.90
Adjustments for :		
Depreciation/Amortisation	1794.93	1554.71
Profit on Disposal of Fixed Assets (net)	(293.12)	(0.56)
Provisions and Unclaimed Balances Written back (net)	(73.48)	(45.70)
Rent from Long Term Investments in Properties	(327.13)	(170.59)
Interest Income	(50.42)	(81.50)
Dividend from long term trade investments	(7.90)	(7.98)
Dividend from Current investments - other than trade	(24.35)	(35.19)
Profit on Sale of Current investments - other than trade	---	(12.73)
Interest Expense	550.53	625.14
Provision for Doubtful Debts and Advances	177.22	31.98
Operating profit before working capital changes	9160.09	15431.48
Movements in working capital		
Increase in Sundry Debtors	(1201.05)	(173.72)
Increase in Inventories	(1300.20)	(2698.21)
Increase in Loans, Advances and Other Receivables	(706.29)	(202.53)
Increase in Current Liabilities and Provisions	771.89	2691.52
Decrease in Deferred Payment Liabilities	(24.72)	(30.54)
Cash generated from operations	6699.72	15018.00
Direct Taxes Paid	(1534.85)	(4573.85)
Net cash from operating activities	5164.87	10444.15
B. Cash flow from investing activities		
Purchase of Fixed Assets	(6193.61)	(7218.80)
Sale of Fixed Assets	387.61	24.59
Purchase of Investments	(9077.11)	(22889.05)
Sale of Investments	9077.11	22901.78
Sale of Long Term Investment	0.01	---
Interest Received	51.22	76.56
Dividend Received	32.25	43.17
Rent from Long Term Investments in Properties received	327.13	170.59
Net cash used in investing activities	(5395.39)	(6891.16)
C. Cash flow from financing activities		
Repayment of long term borrowings	(1060.07)	(2743.57)
Proceeds from long term borrowings	792.00	728.00
Proceeds from short term borrowings (net)	2425.43	476.80
Interest Paid	(543.98)	(629.08)
Dividend Paid	(1381.88)	(1381.37)
Net cash from/(used in) financing activities	231.50	(3549.22)
Net Increase in cash and cash equivalents	0.98	3.77
Cash and cash Equivalents as at 31.3.2010*	1049.91	1046.14
Cash and cash Equivalents as at 31.3.2011*	1050.89	1049.91
Components of cash and cash equivalents as at 31st March		
Cash on hand	2011	2010
Cheques on hand	4.62	2.80
With Scheduled Banks In	325.84	212.56
Current/Collection Accounts	496.17	720.03
Cash Credit Accounts	177.18	77.89
Unpaid and Unclaimed Dividend Accounts**	46.97	36.52
Deposit Accounts (Receipts lodged with outside parties)	0.20	0.20
With Post Office in Savings Bank Account (Pass Books lodged with outside parties)	0.11	0.11
Cash and Bank Balances as per Schedule 10	1051.09	1050.11
Less: Deposit Accounts not considered as cash equivalents	(0.20)	(0.20)
Cash & Cash Equivalents in Cash Flow Statement	1050.89	1049.91

* As per Schedule 10 of the Accounts.

** These balances are not available for use as they represent corresponding unpaid dividend liabilities.

Note: The above Cash Flow Statement has been prepared under the Indirect Method "as set out in Accounting Standard 3 on Cash Flow Statements".

As per our Report of even date

For S.R. Batliboi & Associates

Firm registration number : 101049W

Chartered Accountants

Per Vikas Kumar Pansari

Partner C F O

Membership No.093649

Place : New Delhi

Dated : 27th April, 2011

For and on behalf of the Board of Directors

Ashok Soni

Chairman

C.K. Birla

P. Rajesh Kumar Jain

Company Secretary

Abhaya Shankar

Managing Director



Rupees in lacs

31st March 2011 31st March 2010

**Schedule 1
SHARE CAPITAL**

Authorised			
9,500,000	(Previous Year 9,500,000) Equity Shares of Rs. 10 each	950.00	950.00
50,000	(Previous Year 50,000) Preference Shares of Rs. 100 each	50.00	50.00
		1000.00	1000.00
Issued, Subscribed and Paid-up			
7,462,563	(Previous Year 7,462,563) Equity Shares of Rs. 10 each fully paid-up	746.26	746.26
	Of the above Shares		
a)	175,000 (Previous Year 175,000) Equity Shares allotted pursuant to Scheme of Arrangement for transfer of Heavy Engineering Division		
b)	4,693,084 (Previous Year 4,693,084) Equity Shares allotted as fully paid-up Bonus Shares by capitalisation of General Reserve		
c)	314,931 (Previous Year 314,931) Equity Shares allotted as fully paid up pursuant to Scheme of Amalgamation of Malabar Building Products Limited		
	Forfeited Shares (amount originally paid-up)	2.72	2.72
	TOTAL	748.98	748.98

**Schedule 2
RESERVES AND SURPLUS**

	Balance as at 31st March, 2010	Additions	Deductions/ Adjustments	Balance as at 31st March, 2011
Capital Redemption Reserve	35.00	---	---	35.00
Securities Premium	624.95	---	---	624.95
Revaluation Reserve (Arising on Revaluation of Fixed Assets)	505.99	---	21.51*	484.48
General Reserve	20000.00	3000.00	---	23000.00
Profit and Loss Account	4262.68	670.98	---	4933.66
	<u>25428.62</u>	<u>3670.98</u>	<u>21.51</u>	29078.09
Figures for the previous year	<u>17870.70</u>	<u>8493.30</u>	<u>935.38</u>	25428.62

*Includes reversal of Rs. 4.55 lacs towards sale of revalued asset.



Rupees in lacs
31st March 2011 31st March 2010

Schedule 3

SECURED LOANS

(Refer Note No. 9 of Schedule 22)

Cash Credit facilities from banks

3154.48

2474.35

Interest Free Sales Tax Loan from a financial institution

1520.00

728.00

TOTAL

4674.48

3202.35

Amount Payable within one year

Nil

Nil

Schedule 4

UNSECURED LOANS

Interest Free Sales Tax Loan

9.94

22.43

Deferred Sales Tax

2157.26

2204.84

Buyers Credit from banks

1745.30

Short Term Loan from a bank

-

1000.00

TOTAL

3912.50

3227.27

Amount Payable within one year

1831.53

1060.07

Schedule 5

DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities

Difference in Depreciation on fixed assets as per tax books and financial books

3327.53

2533.39

Gross Deferred Tax Liabilities

3327.53

2533.39

Deferred Tax Assets

Effect of expenditure debited to Profit & Loss Account but allowable for tax purposes in following years

296.92

311.44

Provision for Doubtful Debts and Advances

182.14

129.88

Voluntary Early Retirement Scheme and Voluntary Retirement Scheme

44.59

72.69

Gross Deferred Tax Assets

523.65

514.01

Net Deferred Tax Liabilities

2803.88

2019.38


Schedule 6
FIXED ASSETS

Rupees in lacs

	Gross Block			Depreciation/Amortisation				Net Block		
	At 31.03.10	Additions	Deductions/ Adjustments	At 31.03.11	At 31.03.10	For the year	On Deductions Adjustments	At 31.03.11	At 31.03.11	At 31.03.10
Freehold Land	1019.34	145.00	---	1164.34	---	---	---	---	1164.34	1019.34
Leasehold Land	383.82	---	---	383.82	37.20	4.79	---	41.99	341.83	346.62
Buildings	6924.05	2692.84	49.48	9567.41	2042.57	237.95	21.20	2259.32	7308.09	4881.48
Railway Sidings	12.75	---	---	12.75	12.12	---	---	12.12	0.63	0.63
Plant & Machinery	22284.72	7212.32	157.86	29339.18	10947.08	1398.01	104.07	12241.02	17098.16	11337.64
Furniture, Fittings and Office Equipment	533.95	72.94	9.60	597.29	340.63	30.25	6.33	364.55	232.74	193.32
Vehicles	508.99	83.52	57.55	534.96	177.08	40.79	43.85	174.02	360.94	331.91
Intangible Assets-Softwares	443.39	42.93	---	486.32	194.78	90.38	---	285.16	201.16	248.61
TOTAL	32111.01	10249.55	274.49	42086.07	13751.46	1802.17	175.45	15378.18	26707.89	18359.55
Figures for the Previous year	28220.95	3969.42	79.36	32111.01	12240.94	1565.85	55.33	13751.46	18359.55	

Capital work - in - progress
including capital advances
Rs. 569.22 lacs
(Previous year Rs. 193.70 lacs)
(Unsecured, considered good)

Expenditure during - Construction
Period Pending Capitalisation/Allocation
(Refer Note No.11 of Schedule 22)

2830.26	6658.80
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23.87	249.55
--------------	--------

29562.02	25267.90
-----------------	-----------------

Notes

- Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad, Freehold Land costing Rs.1.27 lacs (Previous Year Rs.1.27 lacs) is pending for registration in the Company's name.
- Other assets of the aggregate value of Rs.30.60 lacs (Previous Year Rs.30.60 lacs) are held in joint ownership with others.
- Gross block of Plant and Machinery includes Company's proportionate share in Fly Ash Handling System (Capital expenditure not represented by asset owned by the Company but installed at vendor's location) for Rs. 67.88 lacs (Written down value Rs 25.93 lacs) (Previous Year Rs 67.88 lacs and Rs 39.81 lacs respectively).
- Freehold Land, Leasehold Land and Buildings include Rs.945.23 lacs (Previous Year Rs. 953.44 lacs), WDV Rs. 484.48 lacs (Previous Year Rs. 505.99 lacs) on account of additions on revaluation during the year ended 31.12.1983 as per valuation carried out by an approved valuer.

Rupees in lacs

	2010-11	2009-10
5. Depreciation/Amortisation for the year (As Above)	1802.17	1565.85
Add: Depreciation charged on Investment in Properties (As per Schedule 7)	11.44	11.42
Less: Transferred to Expenditure incurred during construction period	1.72	5.60
Depreciation/Amortisation charged to Profit and Loss Account	1811.89	1571.67



Rupees in lacs
31st March 2011 31st March 2010

Schedule 7

INVESTMENTS

LONG TERM INVESTMENTS

Investment in Properties (Refer Note No.4 below)

Less: Accumulated Depreciation

Net Block

Trade (At Cost)

Unquoted - Fully paid-up

Birla Buildings Limited--5,000 Equity Shares of Rs.10 each

Bajaj Bhavan Owners Premises Co-operative Society Limited --
10 Equity Shares of Rs.50 each

Supercor Industries Limited, Nigeria -

41,25,000 Equity Shares of Naira 1 each

Other than Trade (At Cost)

Unquoted

GOVERNMENT SECURITIES

7 year National Savings Certificate

6 year National Savings Certificate

Indira Vikas Patra

TOTAL

NOTES

1. Aggregate Value of Investments

Unquoted

Investment in Properties

TOTAL

846.80	846.80
79.48	68.04
767.32	778.76
0.80	0.80
-	0.01
142.60	142.60
0.02	0.02
0.47	0.47
0.01	0.01
911.22	922.67
Book Value	Book Value
143.90	143.91
767.32	778.76
911.22	922.67

2. Government Securities for Rs.0.50 lac (Previous Year Rs. 0.50 lac) lodged with Government Departments.
3. The following investments were purchased and sold during the year.

	Number
Fortis Fixed Term Fund Series 18 B Dividend On Maturity	507482
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend	501262
HDFC FMP 35 D August 2010 (I) - Dividend - Series XIV	502841
HDFC Shortterm Opportunities Fund - Dividend	502415
JM Money Manager Fund Super Plan - Daily Dividend (169)	1008743
L & T FMP - I (July 5M A) Dividend Payout	1000000
L & T FMP - I (June 91D A) Dividend Payout	1500000
L & T Freedom Income Short Term Plan-Institutional - Daily Dividend Reinvestment Plan	739591
LIC MF Floating Rate Fund - Short Term Plan - Daily Dividend Plan	23932624
LIC MF Income Plus Fund - Daily Dividend Plan	10960466
LIC MF Interval Fund - Quarterly Plan - Series 2 - Quarterly Dividend Plan	764229
LIC MF Interval Fund - Series 1 - Monthly Dividend Plan	1507944
LIC MF Liquid Fund - Dividend Plan	25029451
LIC MF Savings Plus Fund - Daily Dividend Plan	12063737
Reliance Monthly Interval Fund - Series II-Institutional Dividend Plan	3998401
SBNPP Flexible Fund Short Term- Institutional - Daily Dividend	696823
SBNPP Interval Fund Qty - Plan - D - Retail Dividend	709420
Tata Fixed Income Portfolio Fund Scheme A2 Institutional	1008115
Tata Fixed Income Portfolio Fund Scheme A3 Institutional	1514268

4. The Company alongwith other co-owners, has developed a plot of land at 25 Barakhamba Road, New Delhi, where the Company's share is 15%. The registration of the said plot of the value of Rs.427.60 lacs (Previous Year Rs.427.60 lacs) in the name of the Company is pending. The Company has given the said property on operating lease to some parties. There are no contingent rents in the lease agreements. The lease terms are mainly for 3-5 years and are renewable at the option of the lessee. There are no restrictions imposed by lease agreements. There are no subleases/esclation clause.



Rupees in lacs

31st March 2011 31st March 2010

Schedule 8
INVENTORIES

(at lower of cost or net realisable value)

Raw Materials	5799.26	4458.53
Stores and Spares	524.37	485.33
Work-in-Process	563.01	363.73
Finished Goods	7706.86	8543.49
Trading Goods	557.60	-
Scrap/By product	0.23	0.05
TOTAL	15151.33	13851.13

Schedule 9
SUNDRY DEBTORS

(Unsecured)

Over Six Months		
Considered Good	47.39	224.22
Considered Doubtful	475.05	303.44
Other Debts		
Considered Good	6217.26	5010.99
	6739.70	5538.65
Less: Provision for Doubtful Debts	475.05	303.44
TOTAL	6264.65	5235.21

Schedule 10
CASH AND BANK BALANCES

Cash on hand	4.62	2.80
Cheques on hand	325.84	212.56
With Scheduled Banks In		
Current/Collection Accounts	496.17	720.03
Cash Credit Accounts	177.18	77.89
Unpaid and Unclaimed Dividend Accounts	46.97	36.52
Deposit Accounts (Receipts lodged with outside parties)	0.20	0.20
With Post Office in Savings Bank Account (Pass Books lodged with outside parties)	0.11	0.11
TOTAL	1051.09	1050.11

Schedule 11
OTHER CURRENT ASSETS

Considered Good		
Interest Accrued on Deposits and Others	20.65	21.45
Other Receivables	356.36	260.92
TOTAL	377.01	282.37



Rupees in lacs
31st March 2011 31st March 2010

Schedule 12
LOANS AND ADVANCES

(Unsecured)

Considered Good

Advances Recoverable in Cash or in Kind or for Value to be Received	795.65	502.93
Balance with Central Excise Authorities	870.03	742.65
VAT Receivable	148.89	63.62
Deposits - Others	576.19	476.32
Income-tax Deducted at Source/Advance Payment of Tax (Net of Provision for Income Tax)	89.11	123.15

Considered Doubtful

Advances Recoverable in Cash or in Kind or for Value to be Received	252.69	247.08
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Less: Provision for Doubtful Advances	2732.56	2155.75
	252.69	247.08

TOTAL	2479.87	1908.67
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Schedule 13
CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Sundry Creditors for Goods, Services and Expenses etc.		
a) Total outstanding dues of Micro and Small Enterprises (Refer Note No. 15 of Schedule 22)	26.64	19.51
b) Total outstanding dues of creditors other than Micro and Small Enterprises	7281.84	7261.16
Advances from Customers and their credit balances	1420.76	1243.40
Unclaimed Dividend (Statutory liabilities as referred in Section 205C of Companies Act, to be transferred to Investor Education and Protection Fund as and when due)	46.97	36.52
Sundry Deposits	3573.32	3128.92
Interest Accrued but not Due on Loans	6.55	-
Other Liabilities	747.75	669.43
	13103.83	12358.94

PROVISIONS

Gratuity (Refer Note No. 8 of Schedule 22)	181.09	232.36
Leave Encashment	240.45	231.48
Employee Related Other Costs (Refer Note No. 16 of Schedule 22)	70.92	7.20
Loss on Onerous Contracts (Refer Note No. 16 of Schedule 22)	103.73	154.63
Proposed Final Dividend	746.26	746.26
Corporate Dividend Tax	123.94	126.83

TOTAL	1466.39	1498.76
	14570.22	13857.70



Rupees in lacs
2010-11 2009-10

Schedule 14
OTHER INCOME

Technical Know-how and Service fee	64.89	50.12
Items Pertaining to Previous Years, Unspent Liabilities, Provisions and Unclaimed Balances Written back (net)	73.48	45.70
Dividend from Long Term Trade Investments	7.90	7.98
Dividend from Current Investments - other than Trade	24.35	35.19
Profit on Sale of Current Investments - other than Trade	-	12.73
Interest Received on Loans, Deposits etc. (Tax Deducted at Source Rs. 2.33 lacs, Previous Year Rs. 2.83 lacs)	50.42	81.50
Foreign Exchange Fluctuation (Net)	75.07	69.72
Rent from Long Term Investments in Properties	327.13	170.59
Rent (Others)	18.10	19.12
Profit on Disposal of Fixed Assets (Net)	293.12	0.56
Miscellaneous Receipts	74.94	131.68
TOTAL	<u>1009.40</u>	<u>624.89</u>

Schedule 15
RAW MATERIALS CONSUMED

Opening Stock	4458.53	5369.12
Add: Purchases during the year	39231.82	35259.00
	43690.35	40628.12
Less: Closing Stock	5799.26	4458.53
TOTAL	<u>37891.09</u>	<u>36169.59</u>

Schedule 16
PERSONNEL EXPENSES

Salaries, Wages and Bonus	5366.69	4549.27
Gratuity expenses (including contribution to Gratuity Fund Rs. 90.00 lacs, Previous Year Rs. 0.52 lac)	234.78	343.33
Contribution to Provident Fund	320.14	280.47
Contribution to Other Funds	64.57	39.09
Staff and Workmen Welfare Expenses	442.24	359.97
TOTAL	<u>6428.42</u>	<u>5572.13</u>



Rupees in lacs
2010-11 2009-10

Schedule 17
OPERATING AND OTHER EXPENSES

Consumption of Stores and Spares	2419.44	2235.15
Packing Expenses (Net)	493.29	413.33
Repairs and Renewals		
Buildings	160.74	106.93
Machinery (Excluding Stores and Spares Consumption)	573.08	443.29
General Repairs and Maintenance	1096.70	936.18
Power and Fuel	4730.71	4199.07
Rent	224.70	133.16
Rates and Taxes	198.47	191.79
Excise Duty on Stocks (Refer Note No 18 of Schedule 22)	(204.35)	732.92
Insurance (Net)	42.33	17.89
Commission on Sales	747.38	610.40
Carriage Outwards (Net)	4078.91	3994.54
Advertisement and Sales Promotion Expenses	841.83	562.45
Directors' fee	5.10	5.50
Directors' Commission	70.00	105.00
Donations	200.00	205.00
Provision for Doubtful Debts and Advances	177.22	31.98
Miscellaneous Expenses	2343.91	1893.00
TOTAL	<u>18199.46</u>	<u>16817.58</u>

Schedule 18
(INCREASE)/DECREASE IN INVENTORIES

Closing Inventories		
Work-in-process	563.01	363.73
Finished Goods	7706.86	8543.49
Scrap/By product	0.23	0.05
Trading Goods	557.60	-
	<u>8827.70</u>	<u>8907.27</u>
Opening Inventories		
Work-in-process	363.73	436.65
Finished Goods	8543.49	4909.43
Scrap/By product	0.05	0.05
Trading Goods	-	-
	<u>8907.27</u>	<u>5346.13</u>
	79.57	(3561.14)
Add: Stocks of Finished Goods out of Trial Run Production	144.52	223.11
TOTAL	<u>224.09</u>	<u>(3338.03)</u>



Rupees in lacs
2010-11 2009-10

Schedule 19
INTEREST

Interest		
On Term Loans and Debentures	167.44	295.14
To Banks and Others	383.09	330.00
TOTAL	550.53	625.14

Schedule 20
EXCEPTIONAL ITEMS

Voluntary Retirement Scheme/Early Retirement Scheme	-	18.37
TOTAL	-	18.37

Schedule 21
EARNINGS PER SHARE (EPS)

Net Profit as per Profit and Loss Account	5060.42	8971.82
Number of shares outstanding at the beginning of the year	7462563	7462563
Total Equity Shares Outstanding at the end of the year	7462563	7462563
Weighted Average number of equity shares outstanding during the year	7462563	7462563
Basic and Diluted Earnings per Share (EPS) (Rs.)	67.81	120.22



Schedule 22 NOTES TO ACCOUNTS

1 Nature of Operations

The Company is engaged in the production and distribution of Fibre Cement Sheets, Aerocon Panels, AAC Blocks, Material Handling and Processing Plant and Equipment and Thermal Insulation Products (Refractories). The Company presently has manufacturing facilities at Hyderabad, Faridabad, Jasidih, Dharuhera, Thimmapur, Vijayawada, Chennai, Thrissur, Wada, Sathariya Balasore and Golan. During the year the Company has commenced generating power by setting up Wind Turbine Generator at Vandhiya village in Gujarat.

2 Statement of Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies Accounting Standards Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention modified by revaluation of fixed assets, on an accrual basis except for credits/ debits arising out of revision of prices on supplies, breakages, claims and subsidies which are accounted for in the year of their acceptance, since it is not possible to ascertain the exact quantum in respect thereof with reasonable accuracy. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Fixed assets are stated at cost or revalued amounts, as the case may be, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Depreciation

Depreciation on Leasehold Land is provided over the unexpired lease period.

Depreciation on Company's proportionate share in Fly Ash Handling System (capital expenditure not represented by asset owned by the Company but installed at vendor's location) is provided over its useful life of five years on straight line basis.

Depreciation on all other fixed assets is provided using the Straight Line Method at the rates computed based on estimated useful lives (estimated by the management) which are equal to corresponding rates prescribed in Schedule XIV of the Companies Act, 1956.

For this purpose, part of the Plant and Machinery has been treated as continuous process plant based on technical evaluation.

Depreciation on the amount added to Fixed Assets on revaluation has been adjusted by transfer of equivalent amount from Revaluation Reserve to Profit and Loss Account.

e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre tax discount rate that reflect current market assessments of the time value of money and risk specific to the assets.



f) Intangible Assets

Computer Software

Costs relating to software, which are acquired, are capitalized and amortized on a straight-line basis over their useful lives of five years.

g) Government Grants and Subsidies

Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

h) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Investment in properties being long term investments is considered at cost less depreciation, unless there is a decline in the value other than temporary, in which case adequate provision is made against the diminution. Depreciation on investment properties other than perpetual leasehold land has been provided on Straight Line Method at the rates computed based on estimated useful lives (estimated by the management) which are equal to corresponding rates prescribed in Schedule XIV of the Companies Act, 1956.

i) Inventories

Inventories are valued as follows

Raw materials, stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on transaction moving weighted average method.
Work-in-process and finished goods	Lower of cost and net realizable value. Cost includes direct materials (determined on weighted average basis) and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
Scrap/By product	Net realizable value

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty deducted from gross turnover is the amount that is included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.



k) Foreign currency translation

Foreign currency transactions

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

iv) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

l) Retirement and other employee benefits

- i) Retirement benefits in the form of Provident Fund and Superannuation Fund are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contribution to the respective funds are due. The Company has created an approved superannuation fund and accounts for the contribution made to LIC against an insurance policy taken with them. There are no other obligations other than the contribution payable to the funds.
- ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees including contract workers on the basis of actuarial valuation carried out at the year end by an independent actuary.
- iii) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv) Future monthly installments payable under voluntary early retirement scheme in respect of the employees, who opted for the said scheme, are provided for as per the actuarial valuation carried out at the year end.
- v) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

m) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, entire deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent



that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified year. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

n) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the profit and loss account. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

o) Leases

i) Where the Company is a Lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

ii) Where the Company is a Lessor

Assets subject to operating leases are included in Investments/Fixed Assets, as the case may be Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account.

p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



q) Segment Reporting Policies

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Unallocated items

The unallocated items include general corporate income and expense items which are not allocated to any business segment.

r) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

s) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

t) Cash and Cash equivalents

Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

u) Derivative Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

3. Segment Information

Business Segments

As of March 31, 2011 the Company has organised its operations into two major businesses: Building Products and Thermal Insulation Products (Refractories). A description of the types of products and services provided by each reportable business segment is as follows:

Building Products: The Company manufactures and markets fibre cement sheets, Aerocon Panels and AAC blocks. The said products are used in construction activity.

Thermal Insulation Products (Refractories): The Company manufactures and markets insulation products used in Cement, Fertilizers and Power Sector in the Kilns, furnaces and boilers.

Geographical Segments

The analysis of geographical segments is based on the location of the customers i.e. domestic and overseas.



a) Primary segment information (by Business segments)

The following table presents revenue and profit information regarding business segments for the years ended March 31, 2011 and March 31, 2010 and certain assets and liabilities information regarding business segments as at March 31, 2011 and March 31, 2010.

Business Segments			(Rs. in Lacs)
	Building Products	Thermal Insulation Products	Total
Revenue			
External Sales*	69529.77 <i>66961.83</i>	2740.19 <i>3345.58</i>	72269.96 <i>70307.41</i>
Other Income**	231.86 <i>285.12</i>	- <i>5.15</i>	231.86 <i>290.27</i>
Total Revenue	69761.63 <i>67246.95</i>	2740.19 <i>3350.73</i>	72501.82 <i>70597.68</i>
Results			
Segment results	9359.90 <i>14950.46</i>	149.93 <i>1050.71</i>	9509.83 <i>16001.17</i>
Interest Income			50.42 <i>81.50</i>
Unallocated Corporate Expenses (Net)			1595.91 <i>1865.26</i>
Operating Profit			7964.34 <i>14217.41</i>
Interest Expenses			550.53 <i>625.14</i>
Exceptional Items			- <i>18.37</i>
Taxes (Net)			1568.89 <i>4452.05</i>
Deferred Tax Charge			784.50 <i>150.03</i>
Net Profit from Ordinary Activities			5060.42 <i>8971.82</i>
Other Information			
Segment Assets	48748.80 <i>44628.40</i>	2915.47 <i>1490.96</i>	51664.27 <i>46119.36</i>
Unallocated Corporate Assets ***			4132.92 <i>2398.70</i>
Total Assets			55797.19 <i>48518.06</i>
Segment Liabilities	8716.32 <i>8950.80</i>	833.90 <i>263.12</i>	9550.22 <i>9213.92</i>
Unallocated Corporate Liabilities			16419.90 <i>13126.54</i>
Total Liabilities			25970.12 <i>22340.46</i>
Capital Expenditure	3342.98 <i>6698.90</i>	1033.33 <i>155.01</i>	4376.31 <i>6853.91</i>
Unallocated Capital Expenditure ***			1819.02 <i>370.49</i>
Depreciation/Amortisation	1667.00 <i>1453.43</i>	41.49 <i>39.20</i>	1708.49 <i>1492.63</i>
Unallocated Corporate Depreciation/Amortisation			86.44 <i>62.08</i>
Provision for Doubtful Debts, Advances and Receivables	158.59 <i>17.21</i>	18.63	177.22 <i>17.21</i>
Unallocated Corporate Provision for Doubtful Debts			- <i>14.77</i>

Note: Previous Year figures are in italics.

* Sales as per Profit and Loss Accounts is Rs. 72387.99 lacs (Previous Year Rs. 70368.50 lacs) which includes Rs. 118.03 lacs (Previous Year Rs. 61.09 lacs) pertaining to Corporate Office.

** Total other income as per Profit and Loss Account is Rs. 1009.40 lacs (Previous Year Rs. 624.89 lacs) which includes Rs. 777.54 lacs (Previous Year Rs. 334.62 lacs) pertaining to Corporate Office.

*** Includes renewable energy assets of Rs. 1621.59 lacs (Previous Year - NIL)



Schedule 22: Notes to Accounts (Contd.)

b) Geographical Segments

The following is the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced:

	2010-11	(Rs. in Lacs)
Domestic Market (excluding Sales during trial run period)	71934.02	2009-10 69468.26
Overseas Markets	453.97	900.24
	<u>72387.99</u>	<u>70368.50</u>

The following table shows the carrying amount of debtors by geographical markets.

	2010-11	(Rs. in Lacs)
Domestic Market	6709.75	2009-10 5489.04
Overseas Markets	29.95	49.61
	<u>6739.70</u>	<u>5538.65</u>

The Company has common fixed assets for producing goods/providing services to domestic as well as overseas markets. Hence, separate figures for fixed assets/ addition to fixed assets have not been furnished.

4. Related Party Disclosure

44

	(Rs. In Lacs)	
	Supercor Industries Limited	
	(Joint Venture)	
	2010-11	2009-10
Transactions during the year		
Sale of Finished Goods (inclusive of Freight Recovery)	37.80	368.70
Service Charges and Technical Know-how Fees received	64.89	50.12
Dividend received	7.80	7.88
Re-imburement of Expenses	2.80	7.44
Balance outstanding as at the year end		
Receivable	211.51	211.39
Advance received	4.46	5.33
Key Management Personnel-Mr. Abhaya Shankar		
- Managerial Remuneration	141.04	135.20
- Dividend Paid	0.48	0.39
Year end payable	30.00	30.00

No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties.

Name of related parties

Joint Venture

Supercor Industries Limited, Nigeria.

Key Management Personnel

Mr. Abhaya Shankar (Managing Director)



5. Interest in Joint Venture Company

The Company's interest in a joint venture company is as follows:

Name of the Joint Venture Companies	Country of Incorporation	Proportion of Ownership Interest	For the year ended on	Description of Interest
Supercor Industries Limited (SIL)	Nigeria	33%	December 31, 2010*	JV established for manufacture of asbestos cement sheets

*The date of last un-audited financial statements.

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity as at and for the years ended December 31, 2010 and 2009 are as follows:

Proportion of Company's Interest in a Joint Venture Company

	(Rs. In Lacs)	
	Supercor Industries Limited 31-12-2010*	31.12.2009*
Assets		
Fixed assets (net block)	197.25	232.38
Investments	-	-
Inventories	166.64	250.67
Sundry debtors	11.26	1.89
Cash and bank balances	30.14	12.27
Other current assets, loans and advances	129.84	171.13
Deferred tax assets	-	-
Liabilities		
Secured loans	50.34	48.75
Current liabilities and provisions	167.65	279.81
Deferred tax liabilities	25.87	31.55
Income		
Sales	765.04	713.90
Other income	(1.19)	40.73
Expenses		
Raw materials consumed	448.04	498.59
Manufacturing and Other expenses	264.70	202.79
Interest and Financial charges	29.17	19.97
Depreciation	7.09	9.71
Provision for tax	4.56	(11.61)
Proposed Dividend	-	-
Contingent Liabilities	-	-
Capital commitments	-	-

*Figures are based on un-audited financial statements and are as certified by the management.

6. Capital Commitments

	2010-11	(Rs. in Lacs) 2009-10
Estimated amount of contracts remaining to be executed on capital account and not provided for	1098.39	942.09



7. Contingent Liabilities (not provided for) in respect of :

	2010-11	(Rs. In Lacs) 2009-10
a) Demand raised by the Income Tax authorities, being disputed by the Company	592.41	289.26
b) Demands raised by Sales tax authorities, being disputed by the Company.	1654.36	1155.83
c) Demands (Including penalties) raised by Excise authorities, being disputed by the Company.	1139.44	1012.80
d) Appeal filed by the Company before the High Court of Judicature of Andhra Pradesh against the decision of appeal in favour of the Income tax department pertaining to wealth tax matter.	56.98	56.98
e) Pending cases with Income Tax Appellate Authorities where Income Tax Department has preferred appeals.	Liability not ascertainable	Liability not ascertainable
f) Demand for Property Tax, being disputed by the Company	401.68	401.68
g) Other claims against the Company not acknowledged as debts.	246.00	182.60

Based on favourable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors, etc., the Company believes that there is fair chance of decisions in its favour in respect of all the items listed above and hence no provision has been considered necessary against the same.

8. Employee Benefit Plans (AS 15 revised)

The Employees' Gratuity Fund Scheme managed by a trust is a defined benefit gratuity plan which is administered through Group Gratuity Scheme with Life Insurance Corporation of India. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The following tables summaries the components of net benefit expense recognised in the profit and loss account, the funded/ non-funded status and amount recognised in the balance sheet for the gratuity plan:

Profit and Loss Account

Net employee benefit expense (recognised as personnel expenses) in Profit and Loss Account

	Gratuity 2010-11	(Rs. in Lacs) Gratuity 2009-10
Current service cost	153.73	231.56
Interest cost on benefit obligation	146.09	135.16
Expected return on plan assets	(139.65)	(146.90)
Net actuarial loss recognized in the year	74.61	123.51
Net benefit expenses	<u>234.78</u>	<u>343.33</u>
Actual return on plan assets	<u>156.74</u>	<u>147.01</u>

Amount recognized in the Balance sheet

	Gratuity 2010-11	Gratuity 2009-10
Defined benefit obligation	2125.02	1936.48
Fair value of plan assets	1943.93	1704.12
	<u>181.09</u>	<u>232.36</u>
Less: Un-recognised past service cost	-	-
Plan liability	<u>181.09</u>	<u>232.36</u>



Changes in the present value of the defined benefit obligation are as follows:

	Gratuity 2010-11	Gratuity 2009-10
Opening defined benefit obligation	1936.48	1704.92
Interest cost	146.09	135.16
Current service cost	153.73	231.56
Benefits paid	(202.98)	(258.78)
Actuarial losses on obligation	91.70	123.62
Closing defined benefit obligation	2125.02	1936.48

Changes in the fair value of plan assets are as follows

	Gratuity 2010-11	Gratuity 2009-10
Opening fair value of plan assets	1704.12	1567.70
Expected return	139.65	146.90
Contributions by employer	270.48	0.52
Benefits paid	(187.41)	(11.11)
Actuarial gain	17.09	0.11
Closing fair value of plan assets	1943.93	1704.12

The Company expects to contribute Rs.100 lacs to gratuity fund in the year 2011-12. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity 2010-11	Gratuity 2009-10
Investments with insurer	100%	100%

The overall expected rate of return on assets is determined based on the actual rate of return during the current year. The principal assumptions used in determining gratuity and leave benefit obligations for the Company's plans are shown below:

	Gratuity 2010-11		Gratuity 2009-10	
Mortality Table	LIC 1994-96 Ultimate		LIC 1994-96 Ultimate	
Imputed rate of interest	8.00%		8.00%	
Expected rate of return of assets	8.00%		9.40%	
Salary rise	6%		6%	
Remaining working life	15 Years	%	15 Years	%
Attrition Rate	18-57	3%	18-30	5%
			31-40	4%
			41-50	3%
			51-57	1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount for the current and previous three years are as follows:

	2010-11	2009-10	2008-09	2007-08
Defined benefit obligation	2125.02	1936.48	1704.92	1447.01
Plan assets	1943.93	1704.12	1567.70	1340.99
Deficit	181.09	232.36	137.22	106.02



Schedule 22: Notes to Accounts (Contd.)

Notes:-

Information relating to experience adjustments to plan assets and liabilities as required by Para 120(n)(ii) of the Accounting Standard 15 (Revised) on Employee Benefits is not available with the Company.

	2010-11	(Rs. In Lacs) 2009-10
Defined Contribution Plan		
Contribution to Provident Fund*	321.57	284.49
Contribution to Superannuation Fund*	2.91	3.06

* including charged to Expenditure during construction period.

9. a) Interest free sales tax loan from a financial institution is secured by way of first charge on the entire assets of the Sathariya Unit of the Company, both present and future.
- b) Cash Credit facilities from banks are secured by hypothecation of inventories and book debts and are further secured by second equitable mortgage of the Company's immovable properties and hypothecation of other fixed assets, both present and future, other than assets as disclosed in (a) above.

10. Particulars of Hedged/Unhedged Foreign Currency Exposure as at the Balance Sheet date

a) Unhedged Foreign Currency Exposure

	Currency	2010-11	2009-10
Sundry Creditors	US\$	748538	-
Canadian	\$	1388600	1467400
Sundry Debtors	US\$	91862	140360
Other Receivable	Nigerian Naira	59553519	49700092
Cash and Bank Balances	US\$	1600	1600
Capital Advances	Euro	-	95000
Advances from customers	US\$	25452	11790

b) The details of forward contracts outstanding at the year end are as follows:

Currency	Number of contracts	Buy Amount	Purpose
USD			
31-Mar-11	12	4168240	For hedging of
31-Mar-10	2	687100	Creditors

**11. Expenditure during construction period**

Particulars	(Rs in Lacs)	
	2010-11	2009-10
Balance Brought Forward	249.55	67.50
Expenditure Incurred during the year		
Raw Materials Consumed	110.96	409.87
Salaries, Wages and Bonus	25.80	92.06
Contribution to Provident Fund	1.43	4.02
Contribution to other funds	-	0.12
Staff and Workmen Welfare Expenses	0.97	2.52
Consumption of Stores and Spares	25.52	35.37
Packing Expenses	-	3.00
Repairs and Renewals		
Machinery (Excluding Stores and Spares Consumption)	0.92	0.68
General Repairs and Maintenance	12.26	6.62
Power and Fuel	61.54	85.56
Rent	0.77	53.12
Rates and Taxes	0.82	12.79
Excise Duty on Stocks (Refer Note No 18 of Schedule 22)	13.50	29.97
Insurance (Net)	1.00	2.63
Commission on sales	0.70	8.48
Carriage Outwards (Net)	0.17	6.52
Depreciation	1.72	5.60
Miscellaneous Expenses	78.37	87.48
Total Expenditure during Construction period	336.45	846.41
Less: Turnover (Net of excise duty collected Rs. 9.95 lacs, Previous year: Rs.17.34 lacs)	94.81	425.54
Less : Stocks of Finished Goods out of trial run production	144.52	223.11
Total	346.67	265.26
Allocated to Fixed Assets	322.80	15.71
Balance carried forward	23.87	249.55

12. Revenue and Capital expenditure debited to respective heads of account include expenditure incurred on Research and Development during the year amounting to Rs. 155.62 lacs and Rs. 8.40 lacs respectively (Previous Year Rs. 108.10 lacs and Rs. Nil respectively).

13. Managerial Remuneration

	(Rs in Lacs)	
	2010-11	2009-10
i. Managing Director		
Salary, bonus and allowances	130.80	124.38
Contribution to provident and other funds	4.03	3.40
Perquisites (actual and/or as evaluated under the Income Tax Rules, 1962)	6.21	7.42
Total	141.04	135.20*
*excluding contribution for gratuity and provision for leave encashment being the figures which are actuarially determined for the Company as a whole and therefore are not separately available.		
ii. Non-Executive Director's Commission**	70.00	105.00
Total	211.04	240.20

** Computation of Net Profit under Section 349 of the Companies Act, 1956 for calculation of commission payable to Non-Executive Directors



Schedule 22: Notes to Accounts (Contd.)

	2010-11	(Rs in Lacs) 2009-10
Profit as per Profit and Loss Account	7413.81	13573.90
Add: Director's Remuneration	211.04	240.20
Director Sitting Fees	5.10	5.50
Wealth Tax	5.09	2.20
Provision for Doubtful debts, advances and receivables	177.22	31.98
Voluntary Retirement Scheme/ Early Retirement Scheme	-	18.37
	7812.26	13872.15
Less: Gain on sale of Fixed Assets over its original cost	349.17	-
Net profit as per Section 349 of the Companies Act, 1956	7463.09	13872.15
Commission payable to Directors	74.63	138.72
Restricted to	70.00	105.00

14. Auditor's Remuneration

	2010-11	(Rs in Lacs) 2009-10
As Auditors		
- For Statutory Audit Fee	27.00	27.00
- For Tax Audit	5.00	5.00
- For Quarterly Review of Accounts	18.00	18.00
- Out of Pocket expenses	2.37	2.64
As Advisor		
- For Certification, Income tax, Company law matters etc.	-	2.25
	52.37	54.89

15. Details of dues to Micro, Small and Medium Enterprises as per Micro Small and Medium Enterprise Development (MSMED) Act, 2006 (as certified by the Management)

	2010-11	(Rs in Lacs) 2009-10
a) The principal amount remaining unpaid to any supplier as at the end of each accounting year.	26.64	19.51
b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
c) The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	NIL	NIL
e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	NIL	NIL



	Opening Balance	Created during the year	Utilised/ recouped during the year	(Rs. in lacs) Closing Balance
Employee Related Other Costs (Refer note a)	7.20	70.92	7.20	70.92
Loss on Onerous Contracts (Refer note b)	154.63	-	50.90	103.73
	<u>161.83</u>	<u>70.92</u>	<u>58.10</u>	<u>174.65</u>

- a) The wage agreements at three of the manufacturing locations of the Company are pending as at March, 31 2011. The provision for wage arrears have been made on the basis of expected outflows. It is expected that agreement will be entered in next year and arrears would be paid based on the agreement.
- b) The Company is executing one supply and erection contract entered with a party. The estimated unavoidable future cost of meeting the obligations under the contract exceed the expected future economic benefits to be received under it by Rs.103.73 lacs (Previous Year Rs. 154.63 lacs). Accordingly, provision for loss on onerous contract has been made for Rs.103.73 lacs. The contract is expected to be completed in next year.

17. Information pursuant to the Provisions of Paragraphs 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956.

(a) Particulars pertaining to Finished Goods etc. (including production and sales during Trial Run Production)

Particulars	Year	Unit	Installed Capacity(a)	Opening Stock		Production Qty.	Turnover		Closing stock	
				Qty.	Rs.in lacs		Qty.	Rs.in lacs	Qty.	Rs.in lacs
1. Asbestos Cement Sheets, Accessories and Fittings	2010-2011 2009-2010	M.T. "	854500 854500	128443 86571	7965.26 4437.73	734101(ii) 771639(ii)	753421 729767	61082.31 60928.95	109123 128443	7081.43 7965.26
2. Asbestos Cement Sheets and Pipe Plants, Steel Moulds, Size Separation and Size Reduction Equipments, Power Driven Pumps, Spares and Accessories	2010-2011 2009-2010	" "	4400 4400	451 328	295.95(iii) 380.44(iii)	1671 1795	1704 1671	1082.68 1198.19	418 451	502.19(iii) 295.95(iii)
3. Thermal Insulation Products (Refractories)	2010-2011 2009-2010	" "	6000 6000	86 65	36.94 24.15	4271 5353	4202 5332	2714.59 3324.99	155 86	53.31 36.94
4. Hysil Powder (By Product)	2010-2011 2009-2010	" "	- -	0 1	0.05 0.05	107 65	106 66	20.91 12.38	1 0	0.23 0.05
5. Prefabricated Building Panels	2010-2011(iv) 2009-2010(iv)		460000 460000	5590 5382	293.97 333.46	30553 21788	30038 21580	3446.84 2195.01	6105 5590	395.94 293.97
6. Prefabricated Autoclaved Aerated Concrete Blocks and Accessories	2010-2011 2009-2010	CuM. "	305000 100000	8986 4207	247.31 109.84	127276 79660	122190 74882	3629.09 2925.30	14072 8986	176.18 247.31
7. Jointings	2010-2011 2009-2010	M.T. "	1700 1700	46 50	- -	- -	- 4	- 1.89	46 46	- -
8. Service and Contract Jobs	2010-2011 2009-2010		- -	- -	- -	- -	- -	11.53 41.34	- -	- -
9. Others	2010-2011 2009-2010		- -	- -	- -	- -	- -	250.49 165.99	- -	- -

Licensed Capacity - Not applicable in terms of Government of India's Notification No.S.O.477(E) dated 25th July 1991.

(i) As certified by the Management.

(ii) Production is net of captive consumption of 10343 MT (Previous year 6115 MT)

(iii) Rs. 502.19 lacs (previous year Rs. 295.95 lacs) included in Work-in-Process.

(iv) Licensed capacity of 230000 Nos. (applicable in respect of one of the location) and installed capacities of Prefabricated Building Panels are shown in Nos. whereas Production, Turnover and Stocks are shown in M.T.



Schedule 22: Notes to Accounts (Contd.)

b) Particulars pertaining to traded goods

Particulars	Year	Opening Stock		Purchase		Turnover		Closing stock	
		Qty.	Rs.in lacs	Qty.	Rs.in lacs	Qty.	Rs.in lacs	Qty.	Rs.in lacs
Asbestos Cement Sheets, Accessories and Fittings	2010-2011 2009-2010	-	-	11350	892.02	4179	242.54	7171	556.38
Others*	2010-2011 2009-2010	-	-	-	3.04	-	1.82	-	1.22
Total	2010-2011 2009-2010				895.06		244.36		557.60

*Quantity has not been given as there are numerous items.

	2010-11		2009-10	
	Quantity (M.T.)	Rs.in lacs	Quantity (M.T.)	Rs.in lacs
(c) Value of Imports (C.I.F.)				
(i) Raw Materials		15681.15		15580.63
(ii) Stores and Spares		-		11.44
(iii) Capital Goods		1878.84		0.14
(d) Expenditure in Foreign Currency (on Cash Basis)				
(i) Erection services charges (net of tax)		215.71		-
(ii) Other matters		24.48		22.52
(e) Raw Materials Consumed (including materials consumed during the trial run period)				
(i) Cement	352600	12119.63	353001	12284.38
(ii) Asbestos	59318	20405.84	58030	19652.02
(iii) Others (including processing charges)		5476.58		4643.06
		38002.05		36579.46

(f) Value of Raw Materials, Stores and Spares Consumed (including material consumed during the trial run period) and Percentage to the total

	2010-11		2009-10	
	Percentage	Value (Rs.in lacs)	Percentage	Value (Rs.in lacs)
(i) Raw Materials				
(a) Indigenous	45	17267.09	46	16744.57
(b) Imported	55	20734.96	54	19834.89
	100	38002.05	100	36579.46
(ii) Stores and Spares				
(a) Indigenous	99.87	2441.86	99.88	2267.77
(b) Imported	0.13	3.10	0.12	2.75
	100.00	2444.96	100.00	2270.52
(g) Earnings in Foreign Exchange				
(i) Export of Goods (F.O.B.)		160.28		400.00
(ii) Technical Know-how and service fees (on accrual basis)		64.89		50.12
		225.17		450.12

(Contd..)



	2010-11 Value (Rs.in lacs)	2009-10 Value (Rs.in lacs)
(h) Net Dividend remitted in Foreign Currency		
(i) Final Dividend		
Number of NRI Shareholders	216	104
Number of Shares held by them	107581	68175
Dividend paid (Rs. In Lacs)*	-	-
Year to which dividend relates	2009-10	2008-09
(ii) Interim dividend		
Number of NRI Shareholders	296	127
Number of Shares held by them	132311	75247
Dividend paid (Rs. In Lacs) *	-	-
Year to which dividend relates	2010-11	2009-10

* excluding dividend of Rs. 18.70 lacs (Previous Year Rs.11.33 lacs) credited to FCNR / NRE account of NRI's and paid to foreign Institutional Investors on repatriation basis.

18. In accordance with Explanation below para 10 of Notified Accounting Standard 9: Revenue Recognition, excise duty on sales amounting to Rs. 7760.69 lacs (Previous Year Rs. 5285.50 Lacs) has been reduced from sales in profit and loss account and expenditure during construction period. Excise duty income on decrease in stocks amounting to Rs. 204.35 lacs (Previous Year excise duty expense of Rs. 732.92 lacs) has been considered in Schedule 17 of the financial statements and excise duty on closing stock out of trial run production amounting to Rs. 13.50 lacs (Previous Year Rs. 29.97 lacs) has been debited to expenditure during construction period.

19. Previous year figures have been regrouped/ rearranged wherever necessary to conform with current years' classification.

Signatures to Schedules 1 to 22

As per our Report of even date
For S.R.Batliboi & Associates
Firm registration number : 101049W
Chartered Accountants

Per Vikas Kumar Pansari
Partner
Membership No.093649

Place : New Delhi
Dated : 27th April, 2011

For and on behalf of the Board of Directors

Ashok Soni
C F O

C.K. Birla
Chairman

P. Rajesh Kumar Jain
Company Secretary

Abhaya Shankar
Managing Director



(a) Registration details

Company Identification Number	L74999AP1955PLC000656
State Code	01
Balance Sheet date	31.03.2011

Rupees in Thousands

(b) Capital raised during the year

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private placement	Nil

(c) Position of mobilisation and deployment of funds

Total Liabilities	4122697
Total Assets	4122697

Sources of Funds

Paid-up capital	74898
Reserves and Surplus	2907809
Secured Loans	467448
Unsecured Loans	391250
Deferred Payment Liabilities	904
Deferred Tax Liabilities	280388

Application of Funds

Net Fixed Assets	2956202
Investments	91122
Net Current Assets	1075373

(d) Performance of the Company

Turnover (including other income)	7339739
Total Expenditure	6598358
Profit before tax	741381
Profit after tax	506042
Earnings per share in Rupees	67.81
Dividend rate percentage	160

(e) Generic names of three principal products of the Company

Item code number	Product description
681110.00	Asbestos Cement Corrugated Sheets
681019	Prefabricated Autoclaved Aerated Concrete Blocks and Accessories
690100.20	Thermal Insulation Products (Refractories)

On behalf of the Board of Directors

C.K. BIRLA
Chairman

New Delhi, 27th April, 2011.



TO THE SHAREHOLDERS

Notice Is hereby given that the Sixty-Fourth Annual General Meeting of Hyderabad Industries Limited will be held on Thursday the 21st day of July, 2011, at 3.00 P.M. at Asbestos Centre, Road No.13, Banjara Hills, Hyderabad, Andhra Pradesh 500 034 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Report of the Directors' and Auditors' thereon.
2. To declare final dividend on 74,62,563 Equity Shares of Rs.10/- each and to confirm the interim dividend of Rs.6/- per Equity Share on 74,62,563 Equity Shares of Rs.10/- each already paid for the financial year 2010-11.
3. To appoint a Director in place of Mr. Shreegopal Daga, who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in place of Mr. Yash Paul, who retires by rotation and being eligible offers himself for re-election.
5. To appoint M/s. S.R. Batliboi & Associates., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Special Business

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.

“RESOLVED THAT pursuant to provisions of Section 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, and Article 118(4) of the Articles of Association of the Company and within the limits stipulated in Section 309(4) of the Companies Act, 1956 and subject to all applicable approval(s), as may be required, consent of the Shareholders be and is hereby accorded for payment of Commission to Non-Executive Directors i.e. other than Managing and Whole-time Director, for a further period of 5 (five) years commencing from April 1, 2011, at a rate not exceeding 1(one) % of Net Profits of the Company, as computed under Section 198 of the Companies Act, 1956, in addition to the fees payable for attending the Meetings of the Board of Directors of the Company or any Committee thereof, to be divided amongst the Non-Executive Directors as aforesaid, in such manner as may be decided by the Board from time to time with authority to the Board to determine the manner and the proportion in which the amount be distributed among the non executive Directors .”

By Order of the Board
For Hyderabad Industries Limited

Registered Office:
Sanatnagar
Hyderabad - 500 018
Dated: 27th April, 2011

P. Rajesh Kumar Jain
Company Secretary



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 6:

The Board plays a crucial role in managing affairs of the Company. While the day-to-day management is delegated to Managing Director & CFO and other Senior Executives, the Board lays down policies and provides guidelines for conduct of Company's business. There is enormous increase in the responsibility of Directors of Listed Companies because of requirements of compliance with several strict provisions of Corporate Governance, other Statutory Bodies apart from the Companies Act, 1956.

The Directors with their rich experience in business, management and administration, have been contributing immensely to the success of the Company, through their active participation.

In consideration of the contributions made by the Directors, the members had, in the 59th Annual General Meeting held on 21st July, 2006, accorded their consent for payment of a commission to non executive Directors not exceeding 1% of the net profits of the Company for a period of 5

(five) years commencing from 1st April 2006.

In accordance with the provisions of Section 309(7) of the Companies Act, 1956 such approvals are renewable by the shareholders from time to time for a further period upto 5 (five) years. Accordingly, the resolution is placed before you for your consideration.

The specific amount payable and the manner and the proportion in which the amount be distributed among the non-executive Directors will be decided by the Board from time to time.

All the Directors of the Company, other than the Managing Director, are considered to be interested in the said resolution to the extent of Commission which may be paid to them.

By Order of the Board
For Hyderabad Industries Limited

Registered Office:
Sanatnagar
Hyderabad - 500 018
Dated: 27th April, 2011

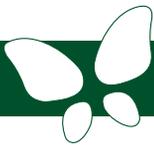
P. Rajesh Kumar Jain
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM(S) IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member organisation.
2. An explanatory statement, pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of item No. 6 of the notice, is annexed hereto.
3. The details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares will remain closed from Saturday 16th July, 2011 to Thursday 21st July, 2011 (both days inclusive).
5. The final dividend, as recommended by the Board of Directors, if approved by the Shareholders at their 64th Annual General Meeting, will be paid to those Shareholders or their mandate(s), whose names appear in the Register of Members of the Company on Saturday 16th July, 2011. In respect of shares held in dematerialised / electronic form, the dividend thereon shall be paid to the beneficial owners, as per the list provided by the respective Depositories for the said purpose.



6. M/s. Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad – 500018 (email: info@vccilindia.com) Tel: 040-23818475/76; Fax: 040-23868024; is the Share Transfer Agent (STA) of the Company. For effecting changes in the Address / Bank details / ECS (Electronic Clearing Service) mandate; the members are requested to notify to the said share transfer agent if shares are held in physical form; and their respective Depository Participant (DP), if the shares are held in dematerialised form.
7. To avoid loss of dividend warrants in transit and undue delay in respect of dividend warrants, the Company has provided a facility to the members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agent.
8. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the STA / Company. Members holding shares in physical form are informed to furnish their bank account details to the Company / STA to have printed the same on the dividend warrants so as to avoid possibility of misuse of dividend warrants by others.
9. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS, mandates, nominations power to attorney, change of address / name, etc. to their Depository Participant only and not to the Company's Registers and Transfer Agents. Changes intimated to the Depository Participant will than be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.
10. Pursuant to the provisions of Section 205A of the Companies Act, 1956, all unclaimed / unpaid dividends up to the financial year ended 31st March, 2003 have been transferred to the General Revenue Account of the Central Government.
11. Consequent upon the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India and no payment shall be made in respect of any such claims by the Fund. Members who have not yet encashed their dividend warrant(s) for the financial years 2003-2004 to 2009-2010 are requested to make their claims to the Company without any delay.
12. Members are requested to visit the website of the Company, i.e., "www.hil.in" for viewing the quarterly, half-yearly and annual financial results and for more information on the Company.
13. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
14. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.
15. Members / Proxies are requested to kindly take note of the following:
 - i. Attendance slip, as sent herewith, is required to be brought at the venue duly filled in and signed, for attending the meeting.
 - ii. Folio No. / DP & Client ID No. may please be quoted in all correspondence with the Company and / or the STA.



Auditors' Certificate

To

The Members of Hyderabad Industries Limited

We have examined the compliance of conditions of corporate governance by Hyderabad Industries Limited, for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S. R. BATLIBOI & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm Registration No: 101049W

58

per **Vikas Kumar Pansari**

Partner

Membership No.:093649

Place : New Delhi

Dated : 27th April, 2011

Declaration By The Managing Director

I, Abhaya Shankar, Managing Director, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for the year 2010-2011.

Abhaya Shankar
Managing Director

Place : New Delhi.

Dated : 27th April, 2011



1. CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to the highest standards of Corporate Governance. The Company relies on the strong Corporate Governance systems and policies of business for healthy growth, accountability and transparency. Good Corporate Governance framework enable's the Board and Management to achieve the goals and objectives effectively for the benefit of the Company and its Shareholders. The Code of Corporate Governance emphasises on transparency of systems to enhance the benefits to Shareholders, Customers, Creditors and employees of the Company. In addition to compliance with regulatory requirements, the Company endeavors to ensure that the highest standard of ethical conduct is maintained throughout the organisation.

The Company has complied with the requirements of the Corporate Governance Code in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as disclosed hereinbelow:

2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides focus and guidance to the Company's Management as well as directs and monitors the performance of the Company.

The Board of Directors presently comprises of six Directors, having rich experience and specialized skills in their respective fields, out of which five are Non-Executive Directors. The Company has a Non-Executive Chairman and four Independent Directors comprising more than one third of the total strength of the Board. The Non-Executive Directors are more than 50% of the total number of Directors with the Managing Director being the only Executive Director on the Board of the Company.

All the Directors on the Board of the Company have made necessary declarations / disclosures regarding their other directorships along with Committee positions held by them in other Companies.

During the year under review, four Board Meetings were held on 5th May, 2010, 21st July, 2010, 2nd November, 2010 and 25th January, 2011. The maximum time-gap between any two consecutive meetings did not exceed four months. The details of the meetings held are as follows:

Name of the Director	Category of Directorship	No. of Board Meetings held during the Year of his directorship	No. of Meetings attended	Number of other Directorships ¹	Number of other Committee Memberships	Attendance at last AGM	Share-holding
Mr.C.K.Birla	Chairman Promoter Non-Executive	4	4	6	-	Yes	51376
Mr.Krishnagopal Maheshwari	Director Non-Executive & Independent	4	2	1	-	Yes	9660
Mr.Shreegopal Daga	Director Non-Executive & Independent	4	4	1	-	Yes	400
Mr.P.Vaman Rao	Director Non-Executive & Independent	4	4	1	1	Yes	Nil
Mr.Yash Paul	Director Non-Executive & Independent	4	4	-	-	Yes	Nil
Mr.Abhaya Shankar	Managing Director	4	4	1	-	Yes	2977

¹ Other than Directorships in Private Limited Companies, Section 25 Companies, Foreign Companies and Associations.



3. COMMITTEES OF DIRECTORS

3.1 Audit Committee

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Committee is empowered with the powers as prescribed under Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956. The Committee also acts in terms of reference and directions of the Board from time to time.

During the year under review, four Audit Committee Meetings were held on 5th May, 2010, 21st July, 2010, 2nd November, 2010 and 25th January, 2011. The composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

S. No.	Name of the Director	Category	No. of meetings held during the year of his membership	No of meetings attended
1	Mr. P. Vaman Rao	Chairman	4	4
2	Mr. Shreegopal Daga	Member	4	4
3	Mr. Yash Paul	Member	4	4

The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

The Managing Director, Chief Financial Officer and Statutory Auditors are also invited to the meetings, to brief the Committee and to answer and clarify queries raised at the Committee Meetings. The Company Secretary acts as the Secretary of the Committee.

3.2 Remuneration Committee

The Remuneration Committee comprises of three Independent Non-Executive Directors. During the year under review, one Remuneration Committee Meeting was held on 5th May, 2010. The composition of the Remuneration Committee and the attendance at its meeting is as follows:

S. No.	Name of the Director	Category	No. of meetings held during the year of his membership	No of meetings attended
1	Mr. Shreegopal Daga	Chairman	1	1
2	Mr. P. Vaman Rao	Member	1	1
3	Mr. Yash Paul	Member	1	1

The Remuneration Committee reviews the remuneration package payable to Executive Director(s) and Executives in the top level Management of the Company and gives its recommendation to the Board and acts in terms of reference of the Board from time to time.

The details of remuneration and performance bonus paid during the year to the Managing Director, is as follows:

Mr. Abhaya Shankar, Managing Director

Particulars	Amount (Rs. in Lacs)
Salary	104.83
Allowance, Perquisites & Others	6.21
Guaranteed Bonus	15.00
Performance Variable Pay	15.00
Total	141.04

Apart from the above, he is also eligible for the Leave Encashment, Leave Travel Concession, Gratuity and Contribution to Provident Funds and other benefits in terms of his appointment and rules of the Company.

The remuneration by way of commission to the Non-Whole-time Directors is decided by the Board of Directors and distributed to them based on their contribution and attendance at the Board and certain Committee meetings as well as time spent on operational matters other than at the meetings. The Members had, at the Annual General Meeting held on 21st July, 2006 approved the payment of remuneration by way of commission to the Non-Whole-time Directors of the Company, calculated in accordance with the provisions of the Companies Act, 1956, for a period of five years, for each financial year commencing from 01st April, 2006. All the Non-executive Directors are eligible to receive Commission up to a maximum of 1% of profits calculated in accordance with the provisions of Section 198, of the Companies Act 1956, in addition to the sitting fees. The details of sitting fees, for attending the Board Meetings and Committee Meetings, and Commission for the year under review are as follows:

Name of the Director	Sitting Fees (Rs. in Lacs)	Commission (Rs. in Lacs)
Mr.C.K. Birla	0.80	50.00
Mr.Krishnagopal Maheshwari	0.40	5.00
Mr.Shreegopal Daga	1.20	5.00
Mr.P.Vaman Rao	1.20	5.00
Mr.Yash Paul	1.20	5.00



Other than the sitting fees and commission paid to Non-Executive Directors there were no material pecuniary relationship or transaction with the Company.

The Company has not issued any stock options to its Directors / employees.

3.3 Investors Relations Committee:

The present composition of the Investors Relations Committee (Shareholders / Investors Grievances Committee) is as under:

Name of the Director	Nature of Directorship	Membership
Mr.P.Vaman Rao	Non-Executive	Chairman
Mr.Shreegopal Daga	Non-Executive	Member
Mr.Yash Paul	Non-Executive	Member

The Investors Relations Committee of the Board is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificate transmission of shares and other miscellaneous complaints. In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Board has authorised the Company Secretary, who is also the Compliance Officer, to approve share transfers / transmissions and is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificate transmission of shares and other miscellaneous complaints.

All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

There were no pending investor complaints pertaining to the Financial Year ended 31st March, 2011.

4. GENERAL BODY MEETINGS

- a. The last 3 Annual General Meetings (AGM) of the Company, were held at the Asbestos Centre, Road No.13, Banjara Hills, Hyderabad as detailed below:

Financial Year Ended	Day	Time
31st March, 2010	21st July, 2010	3.00 P.M.
31st March, 2009	23rd July, 2009	3.00 P.M.
31st March, 2008	12th August, 2008	3.00 P.M.

- b. All special resolutions moved at the last three Annual General Meetings were passed by show of hand by the shareholders present at the meeting. The details of Special Resolution(s) passed at the last three Annual General Meetings is as follows:

In the Annual General Meeting held on 23rd July, 2009:

- 1. To re-appoint and determine the terms of remuneration of Mr.Abhaya Shankar, Managing Director.

Note:

- a) No Special resolutions were passed at the Annual General Meeting's held on 21st July, 2010 and 12th August, 2008.
- b) No special resolution was passed through postal ballot last year.
- c) No special resolution is proposed to be conducted through postal ballot.

5. DISCLOSURES:

Disclosures on Materially Significant Related Party Transactions:

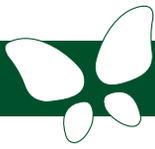
Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

Details of Non-Compliance and Penalties:

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any Stock Exchanges, Securities and Exchange Board of India or any Statutory Authority relating to the capital markets.

CEO/CFO Certification:

The Managing Director (CEO) and Chief Financial Officer have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2011.



Compliance Certificate:

Compliance Certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this Report.

Code of Conduct:

The Company has posted the Code of Conduct for Directors and Senior Management on its website. The Code of Conduct is applicable to all Directors and Senior Management Personnel of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conducts for the Financial Year ended 31st March, 2011. A declaration to this effect, duly signed by the Managing Director is annexed hereto and forms part of this Report.

Details of Compliance with Mandatory Requirements and Adoption of the Non-mandatory Requirements:

The Company has complied with the mandatory requirements of Clause 49 and is in the process of implementation of Non-mandatory requirements.

Disclosure of particulars of constituting "Group" pursuant to Regulation 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997:

Mr.Chandra Kant Birla, Smt.Amita Birla, Smt.Nirmala Birla, Ms.Avani Birla, Ms.Avanti Birla

M/s.Amer Investments (Delhi) Limited, M/s.Ashok

Investment Corporation Limited, M/s.Basant Properties Ltd., M/s.Central India Industries Limited, M/s.Gwalior Finance Corporation Limited, M/s.Hindustan Discounting Co. Ltd., M/s.Hitaishi Investments Limited, M/s.Hyderabad Agencies Private Limited, M/s.Orient Paper & Industries Limited, M/s.Rajasthan Industries Ltd., M/s.Ranchi Enterprises & Properities Limited, M/s.Shekhavati Investments and Traders Limited, M/s.Universal Trading Co. Ltd.,

Relationships inter-se among Directors:

In accordance with the provisions of Section 6 read with Schedule IA of the Companies Act, 1956, none of the Director(s), on the Board of the Company is related to each other.

6. MEANS OF COMMUNICATION

Quarterly and half-yearly reports are published in two Newspapers - one in English and one in Telugu.

The Financial Results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and simultaneously displayed on the Company's website www.hil.in. The Company Law Department of the Company serves to inform the investors by providing key and timely information like details of Directors, Financial Results, Shareholding Pattern, etc.

The Company is also displaying official news on its website www.hil.in.



7. GENERAL SHAREHOLDER'S INFORMATION:

- Date, time and Venue** : Thursday 21st July, 2011 at 3.00 P.M.
Asbestos Centre, Road No. 13, Banjara Hills, Hyderabad
- Financial year** : April to March
- Book Closure** : From 16th July, 2011 to 21st July, 2011 (Both days inclusive)
- Dividend Payment Date** : With in one Week from the date of declaration in the Annual General Meeting.
- Listing on Stock Exchanges** : 1) Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
MUMBAI - 400001
- 2) National Stock Exchange of India Limited.
'EXCHANGE PLAZA' 5th Floor, Plot#C/1,
G-Block, Bandra-Kurla Complex,
Bandra(E), MUMBAI - 400051.

Stock Code:

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited	509675
National Stock Exchange of India Ltd.	HYDRBADIND EQ

The Listing fee for the year 2011-2012 has been paid to both the above said Stock Exchanges.

At the AGM held on 29th September, 2004 the members of the Company have inter-alia passed a resolution for voluntary de-listing of its Equity Shares from The Hyderabad Stock Exchange Limited (HSE), Hyderabad and The Calcutta Stock Exchange Assn. Ltd., (CSE) Kolkata. The Company applied to the said Stock Exchanges for de-listing. Accordingly, HSE and CSE have de-listed the Equity Shares of the Company.

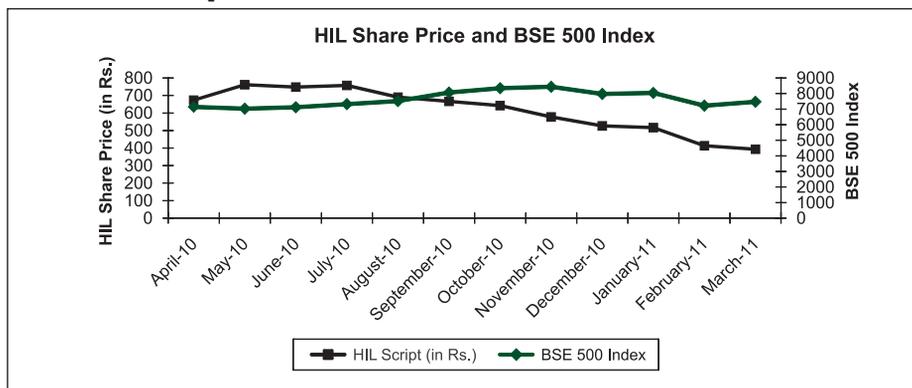
Market Price Data

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2010-11 at the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited are given below:

Month	Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Ltd., (NSE)			BSE 500 Index	
	High (Rs.)	Low (Rs.)	No. of shares traded	High (Rs.)	Low (Rs.)	No. of shares traded	High	Low
Apr-10	674.50	577.00	6,06,797	672.75	577.00	10,68,035	7140.21	6863.81
May-10	761.80	615.10	23,52,451	761.00	615.10	33,00,161	7028.13	6396.74
Jun-10	749.00	671.55	4,03,606	747.70	672.15	6,80,376	7119.58	6634.30
Jul-10	757.50	621.00	7,35,971	756.95	625.10	12,06,410	7321.41	7009.83
Aug-10	687.95	599.20	5,93,562	690.00	605.10	10,15,154	7514.63	7227.39
Sep-10	667.50	614.10	3,32,345	665.90	606.50	6,37,204	8064.87	7322.52
Oct-10	641.50	525.00	10,29,078	642.00	534.10	23,29,433	8344.12	7950.12
Nov-10	640.00	417.00	3,92,070	577.00	415.00	7,41,014	8434.05	7411.68
Dec-10	525.90	408.00	3,80,851	526.00	420.10	6,73,706	7975.22	7421.12
Jan-11	516.00	366.40	12,10,489	516.25	366.40	19,53,340	8038.74	6999.44
Feb-11	413.50	324.00	2,91,641	412.90	332.45	6,27,018	7222.02	6647.92
Mar-11	392.70	334.00	2,35,816	393.00	337.55	5,34,478	7471.35	6888.55



Share Performance in comparison to broad-based indices-BSE 500 INDEX



Registrar and Transfer Agents : M/s.Venture Capital and Corporate Investments Private Limited,
12-10-167, Bharat Nagar, Hyderabad - 500018
Tel: 91-40-23818475 / 476, Fax: 91-40-23868024

Share transfer System : Share Transfers in physical form shall be lodged with the Registrars at the said address.

The share transfers are generally processed by our Registrars within 15 days from the date of receipt provided the documents are complete in all respects.

Pursuant to Clause 47(C) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been given by a Practicing Company Secretary duly certifying compliance of shares transfer formalities.

Distribution of Equity Shares as on 31st March, 2011

S.No.	Range	No. of Shares Hold	% to Capital	No. of Shareholders	% to Total Shareholders
1	1 to 500	12,83,580	17.20	17,587	94.84
2	501 to 1000	3,84,462	5.15	497	2.68
3	1001 to 2000	3,54,541	4.75	236	1.27
4	2001 to 3000	1,70,479	2.28	67	0.36
5	3001 to 4000	1,26,047	1.69	35	0.19
6	4001 to 5000	1,58,679	2.13	34	0.18
7	5001 to 10000	2,68,366	3.60	38	0.20
8	More than 10000	47,16,409	63.20	51	0.28
TOTAL		74,62,563	100.00	18,545	100.00

Shareholding Pattern as on 31st March, 2011

Category of Shareholder	No. of Shares	Percentage
Promoters and Person Acting in Concert	30,89,566	41.40
Mutual Fund & UTI	2,20,866	2.96
Banks, Financial Institutions, Insurance Companies Including A.P. State Government	3,49,613	4.68
Foreign Institutional Investors	1,25,141	1.68
Corporate Bodies	6,76,969	9.07
Indian Public	27,47,136	36.82
NRI's/OCB's	2,53,272	3.39
Total	74,62,563	100.00



Dematerialization of shares and liquidity	: The shares of the Company are under compulsory dematerialize trading. The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization facility. As on 31st March, 2011, 97.65% of the Company's Equity Shares are in dematerialised form. The ISIN No. / Code for the Company's Equity Shares is INE557A01011. Shareholders can open an account with any of the depository participants registered with any of these depositories.
Plant Locations	: <ol style="list-style-type: none"> 1. Hyderabad, Sanatnagar - 500018 (Andhra Pradesh) 2. Faridabad, Sector-25 - 121005 (Haryana) 3. Jasidih, Industrial Area - 814142 (Jharkhand) 4. Dharuhera, Plot No.31, Rewari District - 122106 (Haryana) 5. Thimmapur, Mahboobnagar District - 509325 (Andhra Pradesh) 6. Vijayawada, Plot No.289, IDA, Kondapalli - 521228 (Andhra Pradesh) 7. Chennai, Kannigaiper Vil., Tiruvallur District -601102 (Tamil Nadu) 8. Wada, Musarane Vil., Thane District - 421312 (Maharashtra) 9. Sathariya, SIDA, Jaunpur District - 222022 (Uttar Pradesh) 10. Thrissur, Mulangunnathukavu Post - 680581 (Kerala) 11. Balasore, IDCO, Plot No. 72, ND Centre, Somanathpur - 756019 (Orissa) 12. Golan Village, Valod Taluka, Tapi District - 394640 (Gujarat)
Address for Correspondence	: Mr. P.Rajesh Kumar Jain Company Secretary & Compliance Officer Hyderabad Industries Limited Sanatnagar, HYDERABAD - 500 018 Tel: 91 40 23700601 (Ext. 254), 23703781 (Direct) Fax: 91 40 23701227 & 23702400 Email: cs@hil.in, agv@hil.in

The above Report was approved by the Board of Directors at their meeting held on 27th April, 2011.



Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. Shreegopal Daga	Mr. Yash Paul
Date of Birth	12-01-1940	10-06-1940
Date of appointment	22-12-1975	27-01-2009
Occupation	Business	Retired Executive Director of LIC
Expertise in specific functional areas	Expertise in the fields of administration and management as he has been on the Board of various Companies as a Director and Managing Director for several years.	Expertise in the fields of finance and management as he had held various senior executive positions in LIC for several years
Directorships in other Companies	1) Vinal Investments Limited	NIL
Committee positions held in other Companies	NIL	NIL
Shareholding in the Company	400	NIL

Dear Shareholder,

Re; Green Initiative in Corporate Governance: Go Paperless.

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication, avoid loss in postal transit.

Keeping in view the underlying theme members are requested to support green initiative by registering/updating their email id address in respect of shares held in dematerialisation form with respective depository participants (DP's) and in respect of shares held in physical form update with our registrars(RTA's) by sending email to gicg@vccilindia.com or send requests to Venture Capital and Corporate Investments Private Limited along with your Folio No.

HYDERABAD INDUSTRIES LIMITED

Registered Office: Sanathnagar, Hyderabad - 500018

Attendance Slip

I hereby record my presence at the **Sixty-fourth Annual General Meeting** of the Company at Asbestos Centre, Road No. 13, Banjara Hills, Hyderabad - 500 034, at **3.00 P.M.** on **Thursday, the 21st July, 2011.**

Name of the Attending Member / Proxy :

Signature of the Attending Member / Proxy :

Notes:

1. Shareholder/Proxy holder wishing to attend the meeting are requested to bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.
3. A Proxy need not be a Member.
4. Bodies Corporate, whether a Company or not, who are members, may attend through their authorised representatives appointed under Section 187 of the Companies Act, 1956. A copy of authorisation should be deposited with the Company.
5. In case the shares held in demat/electronic form, the signatures of the beneficial owner is liable for verification with the record furnished to the Company by NSDL/CDSL. Beneficial owners are advised to bring relevant identity card issued by the Depository Participant.

67

HYDERABAD INDUSTRIES LIMITED

Registered Office: Sanathnagar, Hyderabad - 500018

Proxy

I/we.....of.....being a Members/
Members of the above named Company, hereby appoint Mr..... or failing him
Mr.....of.....as my/our Proxy to attend and
vote for me/us and on my/our behalf at the **Sixty-fourth Annual General Meeting** of the Company, to be held on **Thursday,**
the **21st** day of **July, 2011** and at any adjournment thereof.

Signed this.....day of.....2011

Folio No./CL ID* :

D.P. ID* :

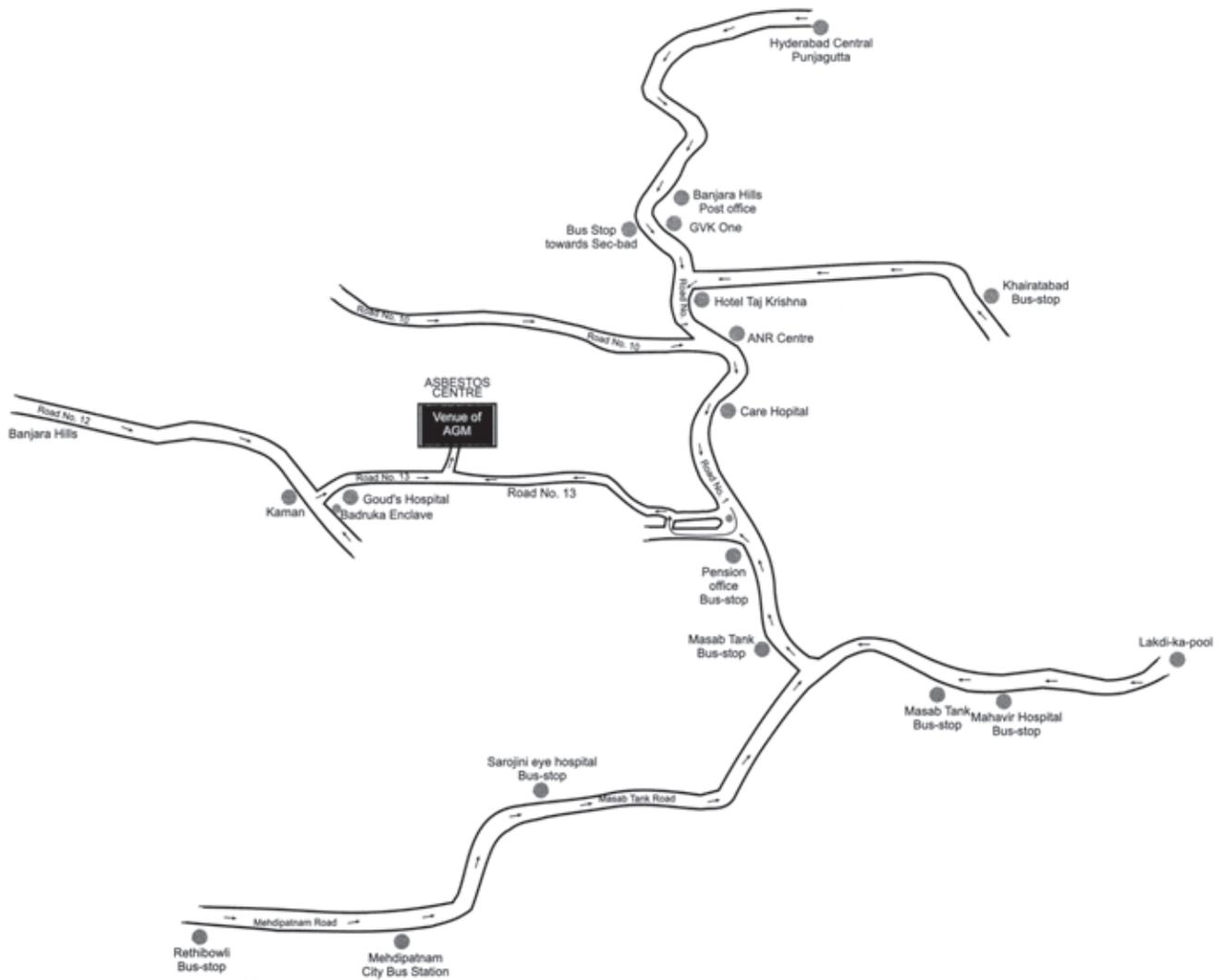
No. Of Shares :

Affix thirty
Paise
Revenue
Stamp

Note: *Applicable only for Shareholders holding shares in dematerialised form.

1. The Proxy must be deposited at the Registered Office of the Company, not less than FORTY EIGHT HOURS before the commencement of the aforesaid meeting.
2. In the case of joint Shareholders, all must sign the proxy form.

Routemap



Note: Pickup facility will be available at the beginning of Road No. 13, Banjara Hills, Hyderabad from 2.00 p.m. onwards.

Evolving Technologies

HIL is committed to investing in world-class technology, with a special focus on Green Building Products. Technology innovations will continue to aid the company in its evolution, ensuring the delivery of advanced, high quality building products.



Chairman visit to R&D and Data Centre



Chairman inspecting newly developed products

The Research and Development (R&D) Centres of the Company at Hyderabad and Faridabad are recognised by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

Project Management, Innovation and Six Sigma processes are some of the new initiatives implemented by the R&D centres.

Evolving Management



HIL's Functional Heads are a group of highly motivated and experienced professionals. Regular training, succession-planning and skill-enhancement programmes ensure that these agents of change continually strengthen and build on HIL's solid foundations.

Significant progress has been made towards streamlining the availability of information and the delegation of responsibility. We call it 'collaborating for change'.



Women Power



HIL has taken remarkable strides towards evolving into an equal-opportunity employer; a sizeable female workforce now helps script our success.

YUVA Young Unique Vibrant Achievers

The influx of young talent into HIL has brought with it enthusiasm, freshness and an array of creative ideas for future growth.



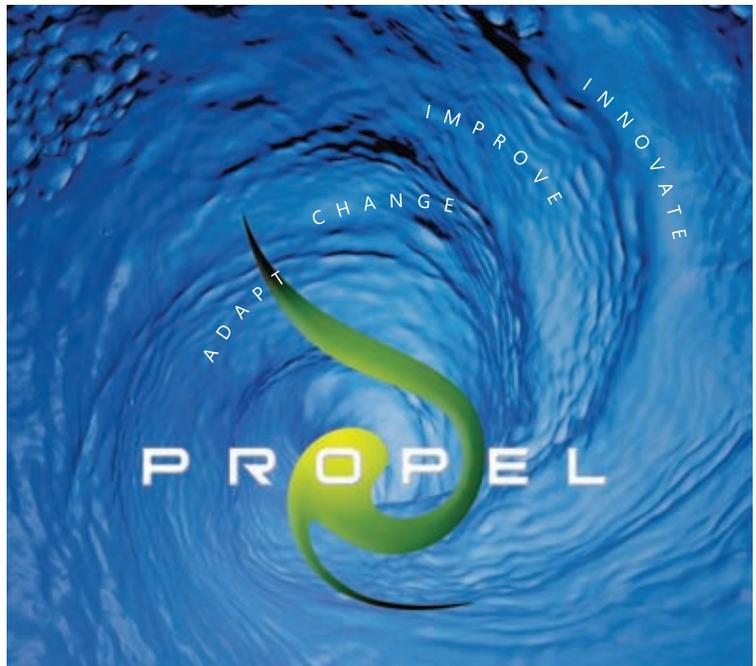
Evolving is Fun

HIL's Annual Day for 2011 was based on the theme of 4C - Create, Construct, Conserve and Celebrate.

The event was a family get-together organised by the management for employees and their families.

The fun included party games, a live band, cultural programmes, a magic show, a fire dance, horse rides, jumping house and many other entertainment programmes for kids and families.





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

The dynamism of an organisation 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.



HYDERABAD INDUSTRIES LIMITED
Sanathnagar, Hyderabad - 500 018 | www.hil.in