

## GOVERNANCE PHILOSOPHY

The Aditya Birla Group is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices are a product of self-desire reflecting the culture of the trusteeship i.e. deeply ingrained in our value system and reflected in our strategic thought process. At a macro level, our governance philosophy rests on five basic tenets viz., Board accountability to the Company and shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders as well as superior transparency and timely disclosure.

In line with this philosophy Hindalco Industries Ltd. continuously strives for excellence through adoption of best governance & disclosure practices.

### Compliance with Corporate Governance Guidelines

The Company is fully compliant with the requirements of the prevailing and applicable Corporate Governance Code. Your Company's compliance with requirements is presented in the subsequent sections of this Report.

## BOARD OF DIRECTORS

### Composition of the Board

Your Company's Board comprises of 9 Non-executive Directors with considerable experience

in their respective fields. Of these, 6 Directors are independent Directors. Clause 49 of the Listing Agreement as amended in April 2008, requires that if the Non-executive Chairman of the Company is the promoter then at least half of the Board of Directors of such Company should consist of independent Directors and we are in compliance with the above requirement of Clause 49 of the Listing Agreement.

None of the Directors is a Director in more than 15 Companies and Member of more than 10 Committee or a Chairman of more than 5 Committee (as specified in Clause 49), across all the Company in which he/she is a Director. All the Directors have intimated periodically about their Directorship and Membership in the various Board committees of other companies, which are within permissible limits of the Companies Act, 1956 and Corporate Governance Code.

The details of the attendance of each Director at the Board Meetings & Annual General Meeting held during the year and directorships, Membership/Chairmanship in Board Committees of other Companies are as follows:

Director	Category	No. of Board Meetings attended	Attendance at last AGM	No of other Directorships Held <sup>3</sup>		No. of other Companies' committee Positions Held <sup>4</sup>	
				Public	Private	Member	Chairman
Mr. Kumar Mangalam Birla	Non Executive	5	Yes	9	13	—	—
Mrs. Rajashree Birla	Non Executive	4	Yes	6	12	1	—
Mr. A. K. Agarwala	Non Executive <sup>2</sup>	6	Yes	5	—	—	—
Mr. E. B. Desai	Independent	6	Yes	8	2	2	4
Mr. S. S. Kothari	Independent	—	No	—	1	—	—
Mr. C. M. Maniar	Independent	5	Yes	14	4	6	1
Mr. M. M. Bhagat	Independent	5	Yes	4	1	1	1
Mr. K. N. Bhandari	Independent	6	Yes	9	—	2	1
Mr. N. J. Jhaveri	Independent	4	Yes	11	2	3	4
Mr. D. Bhattacharya	Managing Director	6	Yes	8	1	—	1

1. Independent Director means a director defined as such under Clause 49 of the Listing Agreement.
2. Mr. A. K. Agarwala was an Executive Director till 10<sup>th</sup> September 2003. Thereafter, he has moved to other responsibilities in the Aditya Birla Group.
3. Excludes Directorship held in Foreign Companies and Companies incorporated under Section 25 of the Companies Act, 1956.
4. Represents only membership/chairmanship of Audit Committee and Shareholders' / Investors' Grievance Committee of Indian Public Limited Companies.

## Board's functioning and Procedure

Hindalco's Board of Directors play the primary role in ensuring good governance and functioning of the Company. All statutory and other significant and material information including information as mentioned in Annexure IA to Clause 49 of the Listing Agreement is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board also reviews periodically the compliance of all applicable laws. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion. The details of Board meetings held during FY 2009-2010 are as outlined below:

Date of Board Meeting	City	No. of Directors Present
29th May, 2009	Mumbai	5 out of 10
30th June, 2009	Mumbai	8 out of 10
31st July, 2009	Mumbai	8 out of 10
18th September, 2009	Mumbai	9 out of 10
31st October, 2009	Mumbai	8 out of 10
25th January, 2010	Mumbai	9 out of 10

## COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted Committees of Directors to deal with matters and to monitor the activities falling within the terms of reference as follows:

### AUDIT COMMITTEE

**Constitution of Audit Committee and its functions:**

Your Company has an Audit Committee at the Board level which acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting process. The Committee presently comprises four Non-Executive

Directors, all of whom are Independent Directors. During the year, the Audit Committee met 5 times to deliberate on various matters and the details of the attendance by the Committee members are as follows:

Name of Director	No. of Meetings	
	Held	Attended
Mr. M. .M. Bhagat	5	4
Mr. C. M. Maniar	5	4
Mr. E. B. Desai	5	5
Mr. N. J. Jhaveri	5	3

1. The Chairman of the Audit Committee, Mr. M.M. Bhagat was present at the last Annual General Meeting of your Company held on 18<sup>th</sup> September ,2009.
2. Mr. D. Bhattacharya, Managing Director and Mr. S. Talukdar – Group Executive President & CFO, the representative of the Statutory Auditor, Head of the Internal Audit are permanent invitees of the Audit Committee. The representative of the Cost Auditors is invited to the Audit Committee Meetings whenever matters relating to Cost Audit are considered.
3. Mr. Anil Malik, Company Secretary, acted as Secretary to the Committee.

The Audit Committee is endowed with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other independent professional advice.
4. To secure attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the Committee includes the following:

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the

financial statement is correct, sufficient and credible;

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment of fees for any other services rendered by the statutory auditors.
4. Reviewing, with the management the annual financial statements before submission to the Board for approval, focussing primarily on :
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any Related party transactions.
  - g. Qualifications in draft audit report.
5. Reviewing, with the management, the quarterly financial results before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of

the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditor, if any;.
12. Reviewing the following information :
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - The appointment, removal and terms of remuneration of the Chief internal auditor;
  - Risk Management Framework.
13. Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and other statutes, as amended from time to time.

## SHAREHOLDER'S GRIEVANCES COMMITTEE

The Company has an "Investor Grievance Committee" at the Board level to deal with various matters relating to redressal of shareholders and investor grievances, such as transfer and transmission of shares, issue of duplicate shares, non-receipt of dividend/ notices/ Annual Reports, etc. In addition, the Committee looks into other issues including status of dematerialisation / rematerialisation of shares and debentures, systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The composition of the Committee is as follows:

Mr. E. B Desai - Chairman

Mr. C. M Maniar - Member

During the year under review, the Committee met thrice to deliberate on various matters referred above. Details of attendance by Directors for the Committee meetings are as follows:

Name of Director	No. of Meetings	
	Held	Attended
Mr. E.B. Desai	3	3
Mr. C.M. Maniar	3	3

Mr. Anil Malik, Company Secretary, acts as Secretary to the Committee.

The Company's shares are compulsorily traded and delivered in the dematerialised form in all Stock Exchanges. To expedite the transfer in the physical segment, necessary authority has been delegated to certain officers, who are authorised to transfer up to 10,000 shares under one transfer deed.

Mr. Anil Malik, Company Secretary is Compliance Officer of the Company.

*Details of complaints received, disposed off and pending during the year, number of shares transferred during the year, time taken for effecting these transfers and the number of share transfers pending are furnished in the*

*"Shareholder Information" section of this Annual Report.*

## Non Executive Directors' compensation and disclosure

All fees/compensation including sitting fee paid to the non-executive directors of the Company are fixed by Board of Directors within the limits approved by the shareholders. Details of sitting fee/compensation paid including stock options , if any, to them are given at the respective places in the report.

## Remuneration of Directors and others

Since the company has one Executive Director, your Company does not have a Remuneration Committee. The Board of Directors decides the remuneration of the Managing Director.

The Company has a system where all the directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made with the Non- Executive Directors vis- a vis the Company during the year.

Besides sitting fees @ Rs. 5000/- per meeting of the Board or Committee thereof , the Company also pays Commission to the Non-Executive Directors.

For FY- 2009-10, the Board has approved payment of Rs.14 Crores (Previous Year Rs.7.50 Crores) as Commission to the Non- Executive Directors of the Company pursuant to the authority given by the shareholders at the Annual General Meeting held on 28<sup>th</sup> July, 2006 to pay Commission not exceeding 1% of the net profits of the Company to the Non-Executive directors of the Company. The Amount of Commission payable is determined after assigning weightage to attendance and the type of meeting and other responsibilities.

Executive Director is paid remuneration within the limits prescribed under Schedule XIII of the Companies Act, 1956. The said remuneration is approved by the Board as well as the Shareholders of the Company.

The details of Remuneration package, fees paid etc. to Directors for the year ended 31 March 2010

(a) Paid to Non- Executive Directors :

Name of Director	Sitting Fees Paid	Commission payable	Total Payments Paid / Payable in 2009-10
	(In Rs.)	(Rs. in Lacs)	(Rs. in Lacs)
Mr. Kumar Mangalam Birla	25,000	1307.81	1308.06
Mrs. Rajashree Birla	20,000	22.39	22.59
Mr. E. B. Desai	1,20,000	16.72	17.92
Mr. A. K. Agarwala	80,000	9.14	9.94
Mr. M. M. Bhagat	45,000	12.32	12.77
Mr. C. M. Maniar	1,10,000	14.15	15.25
Mr. K. N. Bhandari	30,000	7.73	8.03
Mr. S. S. Kothari	Nil	Nil	Nil
Mr. N.J. Jhaveri	35,000	9.74	10.09

Notes:

1. No Director is related to any other Director on the Board, except Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are son & mother respectively.
2. Your Company has a policy of not advancing any loan to its Directors except to Executive Director in the course of normal employment.
3. The Company had obtained shareholders' approval for payment of commission to its Non-Executive Directors & Independent Directors, not exceeding 1% of net profit of the Company.
4. Stock Options were not granted to any Non-Executive Directors.

(b) Paid to Executive Director

Executive Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during 2009-10			
			All elements of remuneration package i.e. salary, benefits, bonuses, pension, etc.	Fixed component & performance linked incentives, alongwith performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. D. Bhattacharya	—	Managing Director	Rs. 13,15,14,234	See note (a)	See note (b)	See Note (c )

- a) Mr. D. Bhattacharya was paid a sum of Rs. 3,99,20,000 towards performance bonus linked to achievement of targets.
- b) The appointment is subject to termination by three months notice in writing on either side. Mr. Bhattacharya has been re-appointed for a further period of 5 years w.e.f. 1st October 2008. No severance fee is payable to the Managing Director.
- c) 9,70,100 stock options were granted on 23rd August, 2007 & 25th January, 2008. 67,525 Options vested on 22nd August, 2008 were exercised by Mr. Bhattacharya at the exercise price.

## Employee Stock Option Scheme – 2006:

In accordance with applicable SEBI Guidelines, ESOS Compensation Committee of the Board of Directors of the Company, on 23<sup>rd</sup> August, 2007 granted 1,940,250 stock options at a price of Rs. 98.30 per share ( 1<sup>st</sup> Tranche) and on –25<sup>th</sup> January, 2008 granted 1,033,140 stock options at a price of Rs. 150.10 per share (2<sup>nd</sup> Tranche), to the eligible employees including Mr. D. Bhattacharya Managing Director. Each option is convertible into one equity share of the Company upon vesting/ exercise. The exercise price of the option has been determined in accordance with relevant SEBI Guidelines. (Refer Annexure 'A' to the Director's Report).

Details of Stock Options granted to Mr. D. Bhattacharya: Managing Director is as under:

Name of Director	1st Tranche			2nd Tranche		
	No. of Options Granted	Vesting Date / %	Exercise Period	No. of Options Granted	Vesting Date / %	Exercise Period
Mr. D. Bhattacharya	2,70,100	23.08.08 (25%)	Within 22.08.2013	7,00,000	25.01.09 (25%)	Within 24.01.2014
		23.08.09 (25%)	Within 22.08.2014		25.01.10 (25%)	Within 24.01.2015
		23.08.10 (25%)	Within 22.08.2015		25.01.11 (25%)	Within 24.01.2016
		23.08.11 (25%)	Within 22.08.2016		25.01.12 (25%)	Within 24.01.2017

All directors have disclosed their shareholding in the Company. None of the Directors are holding any debentures of the Company.

Details of shareholding of Directors as on March 31, 2010 is as follows:

NAME OF THE DIRECTORS	SHARES(Re.1 paid up )
Mr. Kumar Mangalam Birla	8,65,740
Mrs. Rajashree Birla	6,12,470
Mr. A.K. Agarwala	1,23,148
Mr. C.M. Maniar	47,565
Mr. E.B. Desai	2,74,128
Mr. M.M. Bhagat	4,500
Mr. S.S. Kothari	44,829
Mr. K.N. Bhandari	3,571
Mr. N.J. Jhaveri	5000
Mr. D. Bhattacharya	70,740



reviewed by the Board of Directors. During the period under review, a detailed exercise on Risk Management was carried out covering the entire gamut of operation of the Company.

## (E) Proceeds from public issues, right issues, preferential issues etc

The Company discloses to the Audit Committee, the uses/applications of proceeds/funds raised from rights issue, QIP etc., as part of quarterly review of financial results.

## F) Management

Management Discussion and Analysis Report is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement and forms part of this Annual Report.

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives, etc., that may have a potential conflict with interests of the Company.

## (G) Shareholders

The Company has provided the details of Directors seeking re-appointment in the Annual General Meeting notice attached with the Annual Report.

Quarterly Presentations on the Company results are available on the website of the Company ([www.hindalco.com](http://www.hindalco.com)) and the Aditya Birla Group website ([www.adityabirla.com](http://www.adityabirla.com)).

## CEO/CFO CERTIFICATION

The Managing Director and the CFO have certified to the Board that :

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any

material fact or contain statements that might be misleading;

- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the Auditors and the Audit committee
  - (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

## REPORT OF CORPORATE GOVERNANCE

A separate section on Corporate Governance forms part of the Annual Report. Certificate from the Statutory Auditors confirming compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing agreement of the Stock Exchanges in India forms part of this report.

## GENERAL BODY MEETINGS

Details of Annual General Meetings

Location and time, where Annual General Meetings (AGMs) in the last three years were held:-

Year	AGM	Location	Date	Time
2008-09	AGM	Ravindra Natya Mandir, Mumbai	18th September, 2009	3.30 p.m
2007-08	AGM	Ravindra Natya Mandir, Mumbai	19th September, 2008	3.30 p.m
2006-07	AGM	Ravindra Natya Mandir, Mumbai	31st July, 2007	3.30 p.m

In the last three years special resolution as set out in the respective notices for AGM's were passed by shareholders.

Whether any special resolution passed last year through postal ballot? No

Person who conducted the postal exercise : NA

Whether any special resolution is proposed to be conducted through postal ballot : No

## MEANS OF COMMUNICATION

Quarterly results:

**Newspaper in which normally Financial Results are published in:**

Newspaper	Cities of Publication
Financial Express (English)	All editions
Navshakti (Marathi)	Mumbai Edition only

Any website, where displayed

[www.hindalco.com](http://www.hindalco.com)

[www.adityabirla.com](http://www.adityabirla.com)

Whether the Company Website displays

All official news releases Yes

Presentation made to Institutional Investors/Analysts Yes

Besides that, Annual report, Quarterly Results, Shareholding Pattern Statement etc. are posted on the Corporate Filing and Dissemination System as per the requirements of Clause 52 of the Listing Agreement.

## General Shareholder Information

Provided in the 'Shareholders Information' section of the Report and Accounts.

## Status of compliance of Non mandatory requirement

1. The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance are available to enable him discharge his responsibilities effectively.
2. Your Company does not have a Remuneration Committee. The Board of Directors fixes the remuneration of the Managing Director.
3. "Performance Update" consisting of financial and operational performance for the first six months of financial year were being sent to the shareholders since 2000-01. However this practice has been discontinued from 2008-09.

4. During the period under review, there is no audit qualification in the financial statement. The Company continues to adopt best practices to ensure unqualified financial statements.
5. During the duration of the Audit and Board Meetings, the management and the executive Director give extensive briefings to the Board members on the business model of the Company. The Company has also formed a Risk Management Board comprising of Directors and Executives of the Company which meets periodically to review Commodity and Foreign Exchange exposures of the Company.
6. All the Aditya Birla Group Companies have common "Corporate Principles & Code of Conduct", applicable to all the employees.

Interalia, it provides for mechanisms to enforce and report violations of the principles and the code.

#### **Voluntary Guidelines – 2009:**

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and 'Corporate Social Responsibility' in December 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of corporate governance.

Some of the provisions of these guidelines are already in place as reported elsewhere in this Report. The other provisions of these guidelines are being evaluated, and your Company will strive to adopt the same in a phased manner.

# SHAREHOLDER INFORMATION

1. Annual General Meeting
  - Date and Time : 3rd September, 2010 at 2.30 p.m
  - Venue : Ravindra Natya Mandir  
P. L. Deshpande Maharashtra  
Kala Academy,  
Prabhadevi  
Mumbai: 400 025
2. Financial Year
  - Financial reporting for the quarter ending June 30, 2010 : On 3rd August, 2010
  - Financial reporting for the half year ending September 30, 2010 : On or Before 14th November, 2010
  - Financial reporting for the quarter ending December 31, 2010 : On or Before 14th February, 2011
  - Financial reporting for the year ending March 31, 2011 : On or Before 30th May, 2011
  - Annual General Meeting for the year ended March 31, 2011 : In the month of September, 2011
3. Dates of Book Closure : 26th August, 2010  
to 3rd September, 2010  
(Both Days Inclusive)
4. Dividend Payment Date : After 3rd September, 2010
5. Registered Office : Century Bhavan, 3<sup>rd</sup> Floor,  
Dr. Annie Besant Road,  
Worli, Mumbai - 400 030.  
Tel: (91-22) 6662 6666  
Fax: (91-22) 2422 7586/  
2436 2516  
E-Mail: a.malik@adityabirla.com  
Website: www.adityabirla.com
- 6 (a) Listing Details:

Equity Shares	Global Depository Receipts (GDRs)
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001	Societe de la Bourse de Luxembourg Societe Anonyme, RC B6222, B.P.165, L-2011, Luxembourg
National Stock Exchange of India Limited "Exchange Plaza", Bandra Kurla Complex Bandra (East), Mumbai 400 051.	

[32] Note: Listing Fees has been paid to all the Stock Exchanges as per their schedule.

# SHAREHOLDER INFORMATION

6 (b) Overseas Depository for GDRs : J.P. Morgan Chase Bank  
60 Wall Street, New York, NY 10260  
Tel: 1-302-552 0253 Fax: 1-302-552 0320

6 (c) Domestic Custodian of GDRs : Citibank N.A.  
Trent House Plot No C-60  
Bandra Kurla Complex, Bandra  
Mumbai - 400051  
Tel: 91-22- 40296118

7. ISIN Equity Share of Re. 1/- : ISIN INE038A01020  
GDR : ISIN US4330641022 CUSIP No. 433064300

Stock Code:

Stock Code	Script Code
Bombay Stock Exchange	500440
National Stock Exchange	HINDALCO

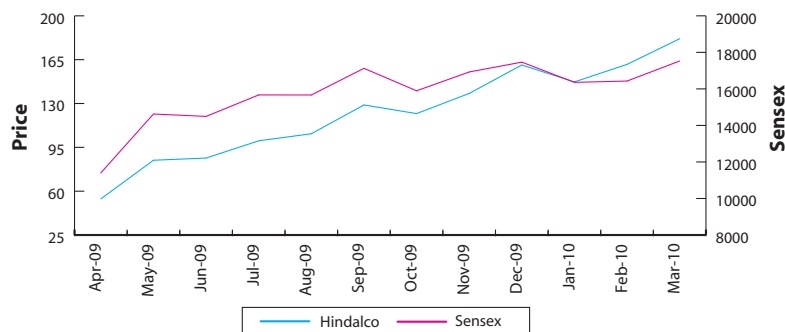
Stock Exchange:	Reuters	Bloomberg
Bombay Stock Exchange	HALC.BO	HNDL IN
National Stock Exchange	HALC.NS	NHNDL IN
Luxembourg Stock Exchange (GDRs)	(GDRs)	HDCD LI

## 8. Stock Price Data

	Bombay Stock Exchange				National Stock Exchange				Luxembourg Stock Exchange		
	High	Low	Close	Volume	High	Low	Close	Volume	High	Low	Close
	(In Rs.)			(In Nos)	(In Rs.)			(In Nos)	(In US\$)		
<b>Apr-09</b>	67.00	50.85	53.85	53,030,978	66.70	50.90	53.75	187,897,686	1.26	1.00	1.07
<b>May-09</b>	90.00	55.85	84.70	69,227,105	86.45	55.90	84.65	223,652,818	1.74	1.00	1.55
<b>Jun-09</b>	106.40	78.80	86.45	102,568,101	106.50	78.65	86.45	316,585,599	2.18	1.70	1.80
<b>Jul-09</b>	102.60	68.40	100.20	55,797,407	102.70	68.15	100.30	186,229,818	2.09	1.44	2.09
<b>Aug-09</b>	116.00	98.50	105.85	71,334,722	116.00	95.25	106.00	268,099,139	2.45	2.00	2.16
<b>Sep-09</b>	139.60	101.00	128.85	65,733,328	139.90	101.05	129.05	278,884,723	2.87	2.12	2.69
<b>Oct-09</b>	144.35	116.85	121.95	42,703,143	144.45	116.70	121.85	189,265,976	3.05	2.40	2.59
<b>Nov-09</b>	140.80	106.75	138.05	38,949,212	140.80	106.30	138.10	174,420,329	2.97	2.30	2.97
<b>Dec-09</b>	163.00	136.55	160.75	45,480,869	163.00	136.25	160.85	237,456,822	3.47	2.73	3.45
<b>Jan-10</b>	179.75	139.55	147.25	39,558,247	179.80	139.80	147.35	235,986,577	3.83	3.18	3.19
<b>Feb-10</b>	162.65	133.55	161.25	54,161,648	164.90	133.55	162.65	268,719,103	3.49	2.88	3.49
<b>Mar-10</b>	186.85	158.25	181.70	44,141,476	186.90	158.15	181.25	198,143,859	4.10	3.40	4.05

# SHAREHOLDER INFORMATION

## 9. Stock Performance



## 10. Stock Performance over the past few years:

	Absolute Returns (in %)			Annualised Returns (in %)		
	1YR	3YR	5YR	1YR	3YR	5YR
Hindalco	248.2%	53.4%	64.0%	Hindalco	15.3%	10.4%
BSE SENSEX	80.5%	34.1%	170.0%	BSE SENSEX	10.3%	22.0%
NIFTY	73.8%	37.4%	157.9%	NIFTY	11.2%	20.9%

11. Registrar and Transfer Agents : The Company has In-house Investors Service Department registered with SEBI as category II Share Transfer Agent vide Registration no INR 000003910 Investors Service Department

### Hindalco Industries Limited

Ahura Centre, 1<sup>st</sup> floor, B Wing  
Mahakali Caves Road  
Andheri (East), Mumbai- 400 093.  
Tel: (91-22) 6691 7000  
Fax: (91-22) 6691 7001  
E-mail: a.malik@adityabirla.com

12. Details of Share Transfer System : Share transfer in physical form are registered and returned within a period of 15 days of receipt, provided the documents are clear in all respects. Officers of the Company have been authorized to approve transfers up to 10,000 Shares in physical form under one transfer deed and one Director of the Company has been authorized to approve the transfers exceeding 10,000 shares under one transfer deed.

The total number of shares transferred in the physical form during the year was 618,619.

Transfer period (in days)	2009-10			2008-09		
	No of Transfers	%	No of Shares	No of Transfers	%	No of Shares
1-10	1,111	88.24	523,242	834	56.63	520,738
11-15	92	7.31	532,81	406	27.56	214,495
16-20	11	0.87	14,201	110	7.46	64,810
21-above	45	3.57	27,895	123	8.35	64,410
<b>Total</b>	<b>1,259</b>	<b>100.00</b>	<b>618,619</b>	<b>1,473</b>	<b>100.00</b>	<b>864,453</b>

# SHAREHOLDER INFORMATION

## 13. Investor Services

### a) Complaints received during the year

Nature of complaints	2009-2010		2008-2009	
	Received	Cleared	Received	Cleared
Relating to Transfers, Transmissions Dividend, Interest, Redemption, Demat – Remat, Rights Issue and Change of Address etc.	82	82	120	120

### b) Shares pending for transfer : Nil

## 14. a) Distribution of Shareholding of as on 31st March:

No of Equity Shares held	2010				2009			
	No of Share Holders	% of Share holders	No of Shares held	% Share holding	No of Share Holders	% of Share holders	No of Shares held	% Share holding
1-1000	313,718	92.46	51,534,233	2.69	404,237	92.64	65,980,811	3.88
1001-2000	11,360	3.35	16,521,731	0.86	14,326	3.42	20,917,727	1.23
2001-5000	8,176	2.41	26,000,024	1.36	9,745	2.33	31,068,983	1.83
5001-10000	3,161	0.93	22,376,058	1.17	3,661	0.87	25,917,559	1.52
10001-50000	2,172	0.64	41,548,911	2.17	2,497	0.60	48,154,900	2.83
50001-100000	191	0.06	13,300,348	0.70	221	0.05	15,468,306	0.91
100001 and above	503	0.15	1,742,181,137	91.05	377	0.09	1,492,762,521	87.80
<b>Total</b>	<b>339,281</b>	<b>100.00</b>	<b>1,913,462,442</b>	<b>100.00</b>	<b>435,064</b>	<b>100.00</b>	<b>1700,270,807</b>	<b>100.00</b>

15. Dematerialisation of Shares and Liquidity : Around 97% of outstanding shares have been dematerialized. Trading in Hindalco Shares is permitted only in the dematerialized form from 5<sup>th</sup> April, 1999 .

16. Details on use of public funds obtained in three years : The Company had raised Rs. 4545 crore from the rights issue on October, 2008 of Re. 1 each at a premium of Rs. 95 per equity share. The objective of the rights issue was to fund part of the repayment of bridge loan availed by A.V. Minerals (Netherlands) B.V an overseas subsidiary of the Company for the acquisition of Novelis Inc, Canada. The fund raised has been utilized for the above envisaged purpose.

The Company has raised Rs.2790.10 Crores through Qualified Institutional Placement on 1st December, 2009. Out of this amount Rs. 396 crores has been spent for various ongoing projects (including issue related expenses) till 31<sup>st</sup> March, 2010 and the balance amount has been invested temporarily in mutual funds.

17. Outstanding GDR/ Warrants/Convertible Bonds : 165,143,129 GDR's are outstanding as on 31<sup>st</sup> March, 2010. Each GDR represents one underlying equity share.

# SHAREHOLDER INFORMATION

## 18. Plant Locations:

### Aluminium & Power

#### **Renukoot Plant\***

P.O. Renukoot -231217  
Dist Sonbhadra  
Uttar Pradesh.  
Tel : (05446) 252077-9  
Fax: (05446) 252107/427

#### **Renusagar Power Division**

P. O. Renusagar  
Dist. Sonbhadra,  
Uttar Pradesh.  
Tel: (05446) 277161-3/  
278592-5  
Fax: (05446) 27164/  
278596

#### **Hirakud Smelter**

Hirakud 768 016  
Dist: Sambalpur Orissa  
Tel: (0663) 2481307/452  
Fax: (0663) 2481356

#### **Hirakud Power**

Post Box No.12  
Hirakud 768 016  
Dist: Sambalpur Orissa  
Tel: (0663) 2481307/  
2481273/452  
Fax: (0663) 2481356

### Copper

#### **Birla Copper Division**

P.O. Dahej, Lakhigam  
Dist. Bharuch – 392 130  
Gujarat  
Tel: (02641) 256004-06,  
251009  
Fax: (02641) 251003/002

### Chemicals

#### **Muri Alumina**

Post Chotamuri-835 101  
Dist: Ranchi, Jharkhand  
Tel: (06522) 244253/334  
Fax: (06522) 244342

#### **Belgaum Alumina**

Village Yamanapur  
Belgaum 590 010  
Karnataka  
Tel: (0831) 2472717/18  
Fax: (0831) 2472728

### Mines

#### **Chandgad Mines**

At Post: Chandgad 416509  
Dist: Kolhapur/Maharashtra  
Tel/Fax: (02320) 213342

#### **Durgmanwadi Mines**

At Post Radhanagri  
Dist: Kolhapur,  
Maharashtra - 416 212  
Tel: (02321) 2371008  
Fax: (02321) 237478

#### **Lohardaga Mines**

Dist: Lohardaga 835 302  
Jharkhand  
Tel/Fax: (06526) 224112

#### **Talabira Mines**

Talabira-1, Coal Project  
Qrs. No. A6/1  
Saraswati Vihar  
P.O. Sankarma  
Dist. Sambalpur, Orissa  
Tel: (0663) 2230573

#### **Samari Mines**

P.O: Kusumi 497222  
Dist : Sarguja Chattisgarh  
Tel/Fax(07778)274325

### Sheet, Foil, Packaging & Extrusions

#### **Foils Division**

Village Khutli, Khanvel,  
Silvassa-396 230  
U.T. of Dadra & Nagar Haveli  
Tel: (0260) 6618100  
Fax: (0260) 2677025

#### **Belur Sheet**

39, Grand Trunk Road  
Belurmth 711 202  
Dist: Howrah, West Bengal  
Tel: (033) 26100408  
Fax: (033) 2654 9982/5740

#### **Taloja Sheet**

Plot 2, MIDC Industrial Area  
Taloja A.V.  
Dist : Raigad  
Navi Mumbai - 410 208  
Maharashtra  
Tel: (022) 66292929  
Fax: (022) 2741 2430/31

#### **Kalwa Foil**

Thane Belapur Road  
Kalwa, Thane 400 605  
Maharashtra  
Tel: (022) 25321141  
Fax: (022) 25348798

#### **Mouda Unit**

Village Dahali  
Ramtek Road, Mouda  
Nagpur – 441 104  
Tel: (07115) 660777/786

#### **Kollur Works**

Village- Kollur Re Puram  
Mandal Via Mutangi, Medak  
Dist Andhra Pradesh – 502 300  
Tel: (08413) 234300/  
234204/05  
Fax: (08455) 288829

#### **Alupuram Extrusion**

Alupuram P.B. No. 30  
Kalamossery 683 104  
Dist: Ernakulam,  
Kerala  
Tel: (0484) 2532441-48  
Fax: (0484) 2532468

\*Renukoot works has also manufacturing facilities of Chemicals, Sheets and Extrusions.

# SHAREHOLDER INFORMATION

19. Investor Correspondence : The Company Secretary  
Hindalco Industries Limited  
Century Bhavan, 3<sup>rd</sup> floor, Dr. Annie Besant Road,  
Worli, Mumbai - 400 030.  
Tel: (91-22) 6662 6666  
Fax: (91-22) 2422 7586 / 2436 2516  
Email: a.malik@adityabirla.com

20. Categories of Shareholding (as on 31<sup>st</sup> March):

Category	2010				2009			
	No of Share Holder	% of share holders	No of Shares held	% share holding	No of Share Holder	% of share holders	No of Shares held	% share holding
Promoters	21	0.01	613,797,188	32.08	21	0.00	613,797,188	36.09
Mutual Funds & UTI	128	0.04	56,043,833	2.93	282	0.06	44,434,415	2.62
Banks/Financial Institutions/Ins/Govt	110	0.03	243,523,381	12.73	119	0.04	272,124,529	16.00
FII's	453	0.13	553,768,633	28.94	234	0.05	175,416,190	10.33
Corporates	3577	1.05	78,764,335	4.11	4,762	1.09	155,630,446	9.17
Individuals/ Shares in transit	327512	96.53	161,034,334	8.42	422,098	97.03	223,048,405	13.11
NRIs/ OCBs	7479	2.21	41,387,609	2.16	7,547	1.73	43,123,955	2.53
GDRs	1	0.00	1,65,143,129	8.63	1	0.00	1,72,695,679	10.15
<b>Total</b>	<b>339,281</b>	<b>100</b>	<b>1,913,462,442</b>	<b>100</b>	<b>435,064</b>	<b>100.00</b>	<b>1700,270,807</b>	<b>100.00</b>

21. Per share data:

	2009-10	2008-09	2007-08	2006-07	2005-06
Net Earnings (Rs. Crores.)	1,916	2,230	2,861	2,564	1,656
Cash Earnings (Rs. Crores.)	2,583	2,875	3,449	3,202	2,177
EPS (Rs.)	10.82	14.82	22.23	25.52	16.79
CEPS (Rs.)	14.58	19.10	26.80	31.87	22.07
Dividend per share (Rs.)	1.35@	1.35	1.85	1.70	2.20
Dividend pay out (%)	15.7@	12.0	9.3	7.9	14.9
Book Value per share (Rs.)	145.87	139.73	142.09	118.97	97.40
Price to earning (x)*	16.8	3.5	7.4	5.1	10.9
Price to cash earning (x)*	12.5	2.7	6.2	4.1	8.3
Price to Book Value (x)*	1.2	0.4	1.2	1.1	1.9

\*Stock Prices as on 31<sup>st</sup> March.

@ proposed dividend

## 22. OTHER USEFUL INFORMATION FOR SHAREHOLDERS

Shareholders who have not yet encashed their dividend warrants for the years 2002-2003 to 2008-2009 may approach the Company for revalidation / issue of duplicate dividend warrant quoting reference of their Ledger Folio numbers / DP & Client ID.

Shareholders of 6% Cumulative Redeemable Preference Shares who have not yet encashed their dividend warrants for the years 2007-2008, 2008-2009 and Redemption warrant may approach the Company for revalidation / issue of duplicate dividend warrant quoting reference of their Ledger Folio numbers / DP & Client ID.

22.1 The Unclaimed dividend for the financial year 2001-2002 has been transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Section 205A & 205C of the Companies Act, 1956.

Shareholders are advised that dividends for the financial year ended 2002 -2003 onwards which remains unpaid/unclaimed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 205A & 205C of the Companies Act, 1956. Shareholders who have not claimed the dividend for this period are requested to lodge their claim with the Company, as under the amended provisions of Section 205B of the Act, no claim shall lay for the unclaimed dividends from IEPF by the Members.

Upon effectiveness of the Scheme of Arrangement under the Companies Act, 1956 between Indo Gulf Corporation Limited (IGCL), Hindalco Industries Limited (Hindalco) and Indo Gulf Fertilisers Limited (IGFL), all unpaid dividend amounts of the then IGCL for FY1998-99 to FY 2001-02 have been taken over by the Company and transferred to the Investor Education & Protection Fund constituted by the Central Government under Section 205A & 205C of the Companies Act, 1956.

Upon effectiveness of the Scheme of Arrangement under the Companies Act, 1956 between Indian Aluminium Company, Limited (Indal) and Hindalco Industries Limited (Hindalco) all unpaid dividend amounts of the then Indal for FY2000-01 and FY2001-02 have been taken over by the Company and transferred to the Investor Education and Protection Fund constituted by the Central Government under Section 205A and 205C of the Companies Act, 1956.

As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules 1978, the then Indal has transferred all unclaimed dividend up to FY 1994-95 to the General Revenue Account of the Central Government. Members who have so far not claimed or collected their dividend for the said financial year(s), may claim the same from the Registrar of Companies, West Bengal, Nizam Palace, 234/4, A J C Bose Road, Kolkata 700 020 by submitting an application in the prescribed form.

In case of any query contact –  
Investor Service Department  
Hindalco Industries limited  
1, Prafulla Chandra Sen Sarani  
Kolkata 700 071  
Tel.: (033) 2281 2534  
Email ID: hilinvestor@adityabirla.com

## 22.2 ECS/NECS Facility

The Company uses “Electronic Clearing Service” (ECS) facility for remitting dividend to its shareholders wherever available.

In terms of a notification issued by the Reserve Bank of India, with effect from 1st October, 2009, remittance of dividend through ECS is replaced by National Electronic Clearing Service (NECS). Banks have been instructed to move to the NECS platform. The advantages of NECS over ECS include faster credit of remittance to the beneficiary’s account, coverage of more bank branches and ease of operations.

NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralised processing of inward instructions and efficiency in handling bulk transactions.

To enable remittance of dividend through NECS, Members are requested to provide their new account number allotted to them by their respective banks after implementation of CBS. The account number must be provided to the Company in respect of shares held in physical form and to the Depository Participants in respect of shares held in electronic form.

## 23. INVESTOR SERVICES

- 23.1 Equity Shares of the Company are under compulsory demat trading by all investors, with effect from 5<sup>th</sup> April, 1999. Considering the advantages of scrip less trading, shareholders are requested to consider dematerialisation of their shareholding so as to avoid inconvenience in future.
- 23.2 Shareholders/Beneficial Owners are requested to quote their Folio No./DP & Client ID Nos., as the case may be, in all correspondence with the Company. All correspondences regarding shares & debentures of the Company should be addressed to the Investor Service Department of the Company at Ahura Centre, 1<sup>st</sup> Floor, ‘B’ Wing, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 and not to any other office(s) of the Company.
- 23.3 Shareholders holding shares in physical form are requested to notify to the Company, change in their address/Pin Code number and Bank Account details promptly by written request under the signatures of sole / first joint holder. Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their DP.
- 23.4 To prevent fraudulent encashment of dividend warrants, members are requested to provide their Bank Account Details (if not provided earlier) to the Company (if shares are held in physical form) or to DP (if shares are held in demat form), as the case may be, for printing of the same on their dividend warrants.
- 23.5 Non-resident members are requested to immediately notify:-
- change in their residential status on return to India for permanent settlement;
  - Particulars of their NRE Bank Account with a bank in India, if not furnished earlier.