

**BOARD OF DIRECTORS****Chairman & Managing Director**

Mr. Sirajuddin Qureshi

**Nominee Director-IFCI Limited**

Mr. Dinesh Sharma

**Directors**

Mrs. Kiran Qureshi

Dr. Naseem Qureshi

Mr. B. B. Gupta

Mr. B. B. Huria

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**CHIEF FINANCIAL OFFICER**

Mr. R. K. Goel

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**DY. GENERAL MANAGER I.A. (F & A)**

Mr. D. Guha

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**DY. GENERAL MANAGER (F & A)**

Mr. Mohd. Ali Shaukat

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**COMPANY SECRETARY**

Mr. Samar Bhatia

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**BANKERS**

Indian Bank

State Bank of Hyderabad

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**AUDITORS**

M/s. M. K. Aggarwal &amp; Co.

Chartered Accountants

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**REGISTERED OFFICE**

A-1, Phase-I, Okhla Industrial Area,

New Delhi - 110 020

Phone: 26372786 (7 Lines), Fax: 26817941-42 (2 Lines)

Email: info@hind.in

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**WORKS**

B-42, Site IV, Industrial Area, Sahibabad,

Distt. Ghaziabad (U.P.)

Phone: 95120-2895342, Fax: 95120-2895341

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**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 35TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON TUESDAY, THE 30TH DAY OF SEPTEMBER, 2008, AT 9.30 A.M. AT SEBLE HALL, MAIN MATHURA ROAD, BADARPUR, NEW DELHI- 110 044, TO TRANSACT THE FOLLOWING BUSINESS:-**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008, and the Profit & Loss Account of the Company for the year ended on that date together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mrs. Kiran Qureshi, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint the Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**;

**“Resolved that** in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange, where the shares of the Company are listed and subject to the approval of Govt. of India (G.O.I.), Financial Institutions (FI's), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) and/or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to issue/offer equity shares, preference shares, convertible debentures (fully or partly), non-convertible debentures, all or any of the aforesaid with or without detachable or non-detachable warrants and/or warrants of any nature and/or secured premium notes, and/or floating rate notes/bond, and/or any other financial instrument(s), (hereinafter referred to as “securities”), as the Board in its sole discretion may at any time or times hereafter decide, which securities when issued or allotted, would ultimately result in an increase in the Subscribed/Paid up Share Capital of the Company

by an amount not exceeding the Authorized Share Capital of the Company, to the Members, Employees, Companies, Financial Institutions, Mutual Funds, Banks, Non-resident Indians, Foreign Companies, Overseas Corporate Bodies (OCB's), Foreign Institutional Investors (FI's), International Investors, or other entities/ authorities and to such other persons through such issue which may be brought from time to time including public issue, right issue, private placement, placement on firm allotment basis, exchange of securities, conversion of loans or otherwise or for general corporate purposes including capital expenditure, working capital requirements, amalgamations, acquisitions, reconstructions, or any other re-organization, as the Board may deem fit, and/or by any one or more or a combination of the above modes/methods or otherwise and in one or more tranche(s), with or without voting rights, in general meetings/class meetings of the company as may be permitted under the then prevailing laws, at such price or prices in such manner as the Board may in its absolute discretion think fit, in consultation with the lead managers, underwriters, advisors and such other persons, and on such terms and conditions including the number of Securities to be issued, face value, rate of dividend, interest, redemption period, manner of redemption, amount of premium on redemption, the number of preference shares/equity shares to be allotted on conversion/ redemption/extinguishment of debts, exercise of rights attached with warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure and related or incidental matters.

**Resolved further that** such of these securities to be issued as are not subscribed, may be disposed off by the Board to such persons and in such manner and on such terms and conditions as the Board may in its absolute discretion think most beneficial to the company including offering or placing them with Banks/Financial Institutions/ Investment Institutions/Mutual Funds/ Foreign Institutional Investors or such other persons or otherwise, as the Board may in its absolute discretion decide.

**Resolved further that** for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilization of proceeds of issue of the securities and further to do all such acts, deeds, matters and things and to finalize and execute all such deeds, documents and writings as may be necessary, desirable or expedient as it may deem fit.

**Resolved further that** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director of the Company, to give effect to the aforesaid resolution.”

5. To consider and if thought fit, to pass, with or without

modification(s), the following resolution as a **Special Resolution**;

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force and subject to such other approvals and sanctions, if required, consent of the company be and is hereby accorded for the re-appointment of Mr. Sirajuddin Qureshi, the Chairman & Managing Director of the Company for a period of three years i.e. from 06th August, 2008 to 05th August, 2011, as per the details set out hereunder:

- (i) **Salary:** Salary of Rs.1,50,000/- (Rupees One Lac Fifty Thousand only) per month.
- (ii) **Commission:** Commission payable @ 1% of Net Profit calculated as per the provisions of section 349 and 350 and other relevant provisions of the Companies Act, 1956.
- (iii) **Perquisites:** In addition to above, the Chairman & Managing Director shall also be entitled to the following perquisites as specified in Category A, B & C:

**Category A:**

**(a) Housing:**

- (i) The expenditure incurred by the company on hiring furnished accommodation will be subject to the following ceiling – 60% of the salary over and above 10% payable by him.
- (ii) In case accommodation is owned by the company, 10% of his salary shall be deducted by the company.
- (iii) In case no accommodation is provided by the company, he shall be entitled to HRA @ 60% of the salary.

**(b) Medical reimbursement:** Reimbursement of actual medical expenses incurred by him and his family, subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

**(c) Leave Travel Concession:** For self and his family, once a year subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

**(d) Club fee:** Fees of clubs, subject to a maximum of two clubs for self and spouse on actual basis subject to one month's salary in a year.

**(e) Personal accident insurance:** Actual premium to be paid by the company, subject to one month's salary in a year.

**Category B:**

The Chairman & Managing Director shall also be entitled to the following perquisites, which shall not be included

in computation of the ceiling on remuneration specified herein:

- (i) Contribution to the provident fund, superannuation fund or annuity fund as per the rules of the company to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable shall not exceed a half month's salary for each completed year of service.
- (iii) Encashment of leave at the end of every financial year.

**Category C:**

The company shall provide a car with driver and telephone facility at the residence of the Chairman and Managing Director. The provision of Car with driver for use of company's business and telephone facility at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company on the Chairman and Managing Director.

**RESOLVED FURTHER THAT** subject to the provisions of section 198 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the remuneration and perquisites as set out hereinabove shall be paid or granted to Mr. Sirajuddin Qureshi as minimum remuneration, notwithstanding that in any financial year of the company, the Company has made no profits or the profits made are inadequate, but subject to the ceiling as provided in section II of Part II of Schedule XIII of the Companies Act, 1956 or such other amount and perquisites as may be provided in the said Schedule XIII, as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to vary/modify/amend any of the aforesaid terms and conditions, provided such variation/modification/amendment is in conformity with the applicable provisions of the Act, as amended from time to time.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such act, deeds, matters and things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.”

**BY ORDER OF THE BOARD  
FOR HIND INDUSTRIES LIMITED**

Place : NEW DELHI  
Date : 30<sup>th</sup> AUGUST, 2008

**SAMAR BHATIA**  
Company Secretary

**Registered Office:**  
A-1, Phase-I,  
Okhla Industrial Area,  
New Delhi-110 020

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS ATTACHED HEREWITH.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 22nd September, 2008 to Tuesday, 30th September, 2008 (both days inclusive).
3. Pursuant to the directions of the Securities Exchange Board of India (SEBI), trading in the shares of your company is in compulsory de-materialized form. The members, who have not yet got their shares de-materialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the de-materialization account.
4. Members are requested to intimate to the Company/Registrar changes, if any, in their registered addresses along with Pin Code Number.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
6. As a measure of economy, distribution of copies of the Annual Report at the Annual General Meeting shall not be made. Therefore, Members are requested to bring their copies of the Report to the meeting.
7. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
8. Shareholders seeking any information with regard to accounts are requested to write to the company well in advance so as to reach the company atleast 7 days prior to the annual general meeting and to enable the management to keep information ready at the AGM.

**EXPLANATORY STATEMENT**

**Pursuant to Section 173(2) of the Companies Act, 1956.**

**ITEM NO. 4**

Section 81 of the Companies Act, 1956 provides, inter-alia, that whenever the Subscribed Share Capital of the Company is proposed to be increased by the allotment of further shares, such shares shall be first offered to the members who are holders of the equity shares of the Company in proportion to the capital paid-up on those shares at that time. In case the shares are to be offered to any person other than the members

of the Company, the approval of the members is required by way of a Special Resolution.

The Authorized Share Capital of the Company at present is Rs.16.00 Crores (Rupees Sixteen Crores only). Keeping in view the proposed restructuring and re-alignment of the long term liabilities, the Company may issue/allot further shares, for which Board seeks the approval of the shareholders and hence the resolution.

Board recommends passing of the resolution as a Special Resolution.

None of the Directors shall consider to be interested and/or concerned in passing of the said resolution, except to the extent of her/his shareholdings in the Company.

**ITEM NO. 5**

Members are hereby informed that Mr. Sirajuddin Qureshi (aged 60) was re-appointed as the Chairman and Managing Director of the Company for a period of five years effective from 06.08.2003 to 05.08.2008 on the remuneration as approved by the Remuneration Committee in its meeting held on 16th August, 2003 and confirmed by the Board of Directors in its meeting held on 16th August, 2003 and by the Shareholders in the Annual General Meeting held on 29th September, 2003, subject to the approval of the Central Government. Again as per the requirements of Schedule XIII the Remuneration Committee, Board of Directors and the Shareholders in their respective meetings held on 16th August, 2004 and 30th September, 2004, have re-approved the Re-appointment and the remuneration of the Chairman and Managing Director.

The company has continuously grown leaps and bounds under his esteemed leadership. It is his total involvement, leadership and hard work that the company has emerged today as one of the largest integrated manufacturer, processor and exporter of Fresh and Frozen Buffalo and Sheep Meat and Meat products in all over the World.

Considering the fact that he is discharging overall responsibilities of the affairs of the Company and on the recommendation of the Remuneration Committee, the Board of Directors have considered and resolved to re-appoint him for the period of three years w.e.f. 06th August, 2008 to 05th August, 2011, subject to the necessary approvals including members of the company at the ensuing Annual General Meeting of the Company, on the terms and conditions as set out in the proposed resolution, which is within the limits specified in Schedule XIII of the Companies Act, 1956.

Mr. Sirajuddin Qureshi, may be considered to be concerned or interested in the said resolution, since it relates to his re-appointment. Mrs. Kiran Qureshi and Dr. Naseem Qureshi, Directors may also be considered as concerned or interested in the same, being relatives of Mr. Sirajuddin Qureshi. Save as aforesaid, none of the other Directors are concerned or interested in the said resolution.



## *HIND INDUSTRIES LIMITED*

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This Explanatory Statement together with the accompanying notice is to be regarded as an abstract of his revised terms of remuneration or concern or interest under section 302 of the Companies Act, 1956.

As required under Schedule XIII of the Companies Act, 1956, the relevant information to be sent along with the notice calling the Annual General Meeting is set out hereinafter.

Your Directors recommend the aforesaid resolution as Special Resolution for your approval.

**BY ORDER OF THE BOARD  
FOR HIND INDUSTRIES LIMITED**

Place : NEW DELHI  
Date : 30<sup>th</sup> AUGUST, 2008

**SAMAR BHATIA**  
Company Secretary

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**INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT AND SCHEDULE XIII OF THE COMPANIES ACT, 1956.**

As required under the Listing Agreement, the particulars of Director who is proposed to be re-appointed, are given below:

- Name : **Mrs. Kiran Qureshi**
- Age : 59 Years
- Qualification :
  - A Bachelor's Degree in Arts from Delhi University, India.
  - A Bachelor's Degree in Law from Delhi University, India.
- Expertise : More than a decade of rich experience in various areas of Industry. She is a widely travelled person and has got a wide exposure of the different aspects of the Export Business.
- She is one of the Core Promoter Director of M/s Hind Industries Limited and its subsidiary Company M/s Hind Agro Industries Limited.
- Other Directorship :
  - Hind Agro Industries Ltd.
  - Hind Builders Ltd.
  - Hind Bio-Pharmaceuticals Ltd.

**I. GENERAL INFORMATION:**

- (1) Nature of Industry: : Manufacturing & Export
- (2) Date or expected date of commencement of commercial production: : 01.01.1990
- (3) In case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: : Not Applicable
- (4) Financial performance based on given indicators:

Parameters	(Rs. in Lacs)		
	2007-08	2006-07	2005-06
Turnover	9890	9096	8330
Net Profit/(Loss) as per P&L A/c	37	386	170

- (5) Export performance and net foreign exchange collaborations:

Parameters	(Rs. in Lacs)		
	2007-08	2006-07	2005-06
Export	9433	9037	8330
FOB Value	8108	7686	6934

- (6) Foreign investments or collaborators, if any : NIL

**II. INFORMATION ABOUT THE APPOINTEE:**

- (1) Background details: : The proposed appointee i.e. Mr. Sirajuddin Qureshi, has been working since 06.08.1993 as the Chairman & Managing Director and is the core promoter of the Company. He is discharging the overall responsibilities of the affairs of the Company through Marketing, Finance, Production and overall management of the Company.
- (2) Past remuneration : 2007-08 Rs.30,30,000/-  
2006-07 Rs.28,35,968/-  
2005-06 Rs.9,00,000/-
- (3) Recognition or awards : Mr. Sirajuddin Qureshi is an eminent Member of the various Govt., Commercial, Social and Cultural Organizations. He has bagged many prestigious awards like Dada Bhai Nauroji Award, Best Citizen Award from the Uttar Pradesh Government.
- (4) Job profile and his suitability : Mr. Sirajuddin Qureshi is the Chairman & Managing Director of the Company and also the Managing Director of the Subsidiary Company, i.e. Hind Agro Industries Ltd., which is also in the same trade. Hence, his vast experience in the industry of meat export may be used fruitfully in both the companies.
- (5) Remuneration proposed : Basic Salary: Rs.1,50,000/- per month. Besides the above Salary, the Appointee is proposed to be paid Commission @ 1%, Furnished Accommodation, Medical Benefits, Leave Travel Concession, Club Fees, Personal Accident Insurance, Leave Encashment. The Company shall also make contribution for him to the Provident Fund, Superannuation /Annuity Fund, Gratuity. A Car with driver and Telephone facility at the residence of the Chairman and Managing Director shall also be provided by the Company. Details of all the above elements may be referred at point no. 5 of the Notice contained in this Annual Report.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) : No comparative figures are available of the industry as such, but the remuneration package is in consonance with the profile of the Appointee, industry and size of the Company. The Appointee is not an expatriate.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, If any: : The Appointee does not have any pecuniary relationship with the Company. He is a relative of Mrs. Kiran Qureshi and Dr. Naseem Qureshi, Directors in the Company.

**III. OTHER INFORMATION:**

- (1) Reason of loss or inadequate profits. : The Company has managed to achieve only a Net Profit of Rs.37.36 Lacs during the financial year 2007-08, due to appreciation of Indian Rupee vis-à-vis United States Dollar.
- (2) Steps taken or proposed to be taken for improvement. : The company is making its regular efforts for the improvement in its production and sales volume.
- (3) Expected increase in productivity and profits in measurable terms. : The company is expected to increase its productivity and profits by about 20% in the next financial year.

**IV. DISCLOSURES:**

- (1) The shareholders of the company are being informed of the remuneration package of Mr. Sirajuddin Qureshi-Chairman and Managing Director, at point no. 5 of the Notice contained in this Annual Report.
- (2) The following disclosure is also being made as a part of the Board of Director's Report under the heading "Corporate Governance", attached to this Annual Report: -
  - (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the Directors:  
*The Company is not paying any remuneration to any other Director of the Company.*
  - (ii) Details of fixed and performance linked incentives along with the performance criteria:  
*All elements of the remuneration package of the Appointee are defined in the Special Resolution at point no.5 of the Notice as contained in this Report. Only Commission @ 1% on the Net Profits of the Company, as per section 309 (5) of the Companies Act, 1956, is partly linked to the Performance of the Company. Rest all elements are fixed in nature.*
  - (iii) Service contracts, notice period, severance fees:  
*No separate service contract executed by the Company with the proposed Appointee.*
  - (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:  
*Nil.*



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Fifth Annual Report on the business and operations of your Company and the Audited Annual Accounts of the Company for the financial year ended on 31st March, 2008.

### Financial Results:

The Financial Highlights of the Company for the financial year ended on 31st March, 2008 are as under:

	(Rs. In Lacs)	
Particulars	2007-08	2006-07
Sales	9879.94	9096.21
Other Income	63.92	135.03
Profit before Depreciation, Interest and Tax {PBDIT}	929.10	1286.40
Profit/(Loss) before Tax {PBT}	236.30	586.25
Profit/(Loss) after Tax {PAT}	37.36	386.06
Surplus/(Deficit) of Previous Year	—	—
Transfer to General Reserve	—	—
Surplus/(Loss) Carried to Balance Sheet	4218.53	4181.17

### Performance:

During the financial year 2007-08, the Company has achieved Total Turnover of Rs.98.79 Crores as against Rs.90.96 Crores in the previous year 2006-07, thereby showing an increase of 8.6%. However, due to appreciation of Indian Rupees vis-à-vis United States Dollar, the Profit Before Tax (PBT) of the Company during the financial year 2007-08 remained at Rs.2.36 Crores as against Rs.5.86 Crores in the previous financial year 2006-07, which is decreased by around 59.73%. The Profit After Tax (PAT) of the Company during the financial year 2007-08 remained at Rs.0.37 Crores as compared to Rs.3.86 Crores in the previous year mainly due to the amount of Deferred Tax Expenses.

The Company has made a good progress in the first quarter of this current financial year 2008-09 and has achieved a turnover of around 28.74 Crores in the said quarter ended on 30th June, 2008.

Your Directors are pleased to inform you that the Company is regular as on 31st March, 2008, in making the quarterly payment of installments to IFCI after the Negotiated Settlement of Dues made by it vide its letter dated-21st June, 2005.

### Profitability:

During the year under review the profitability of the company has been decreased in comparison to the corresponding financial year. The profitability has been adversely affected mainly due to the appreciation of Rupee in comparison of US Dollar.

### Financial Conditions and Results of Operation:

'Management Discussion and Analysis of Financial Condition and Results of Operation of the Company for the year under review', as stipulated in Clause 49 of the Listing Agreement

with the Stock Exchange, are given as separate Statement in this Annual Report.

### Subsidiary Company: HIND AGRO INDUSTRIES LIMITED

The Subsidiary Company, i.e. M/s Hind Agro Industries Limited, which has a 100% export oriented modern, integrated abattoir-cum-meat processing plant at Aligarh (U.P.), also got affected by appreciation of INR vis-à-vis USD during the financial year 2007-2008 and achieved Total Sales Turnover & Other Income of Rs. 363.11 Crores and Profit After Taxes (PAT) of Rs. 2.28 Crores, as compared to the Total Sales Turnover & Other Income of Rs. 480.41 Crores and the Profit After Taxes (PAT) of Rs. 10.76 Crores in the previous year 2006-07. A copy of the Directors' Report, Auditors' Report, Balance Sheet and Profit & Loss A/c of the Subsidiary Company for the financial year ended on 31st March, 2008 are attached herewith for your perusal.

### Dividend:

In view of the future growth and expansion of business of your Company, the Board of Directors have taken a view that it will be in the larger interest of the Company to retain and plough back the profits for the purpose of business growth. Hence, no dividend is being recommended for the Financial Year ended on 31st March, 2008.

### Current year's outlook:

Your Company is expected to improve and consolidate its operations in the ongoing financial year i.e.2008-09, by making increase in volumes, reduction in financial and other costs, monitoring and controlling a better mix of its products and markets towards achieving the better bottom lines in the years to come.

The Company has obtained necessary licence for the High Security Registration Number Plate. The said project at Baddi, in the State of Himachal Pradesh is in progress and the company is applying for tenders in various states.

### Consolidated Financial Statements:

As stipulated in the Listing Agreement with the Stock Exchange, the Consolidated Financial Statements have been prepared by the Company in accordance with the relevant accounting standards issued by the Institute of Chartered Accountants of India. The Audited consolidated financial statements together with Auditors' Report thereon forms part of this Annual Report.

### Deposits:

During the year ended 31st March, 2008, Company has not invited/accepted any Fixed Deposits from Public as defined under the provisions of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

### Capital Structure:

During the year under review, there is no change in the capital structure of the company.

**Listing Agreement Compliance:**

The securities of the Company are listed with the Bombay Stock Exchange Limited, Mumbai. The Calcutta Stock Exchange Association Limited has not conveyed its formal approval for de-listing the shares of the Company, as earlier agreed and resolved by the Company. The Company has been complying with the Listing Agreement and has already made the payment of listing fees for the Financial Year 2008-09, to the Bombay Stock Exchange Limited, Mumbai.

**Corporate Governance:**

Your Company is committed to maintain the highest standards of Corporate Governance. Your directors are also committed to adhere to the requirements set out by the Securities and Exchange Board of India (SEBI) with regard to Corporate Governance practices and have implemented all the major stipulations prescribed. A separate section on Corporate Governance and the Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance forms part of this Annual Report.

**Insurance:**

The Company has made necessary arrangements for adequate insurance of its insurable interests.

**Directors:**

Mrs. Kiran Qureshi, Director of the Company retire by rotation at the forthcoming Annual General Meeting of the company and being eligible, offers herself for the re-appointment.

The present term of Mr. Sirajuddin Qureshi, Chairman & Managing Director was upto 5th August, 2008. The Remuneration Committee and Board of Directors at their respective meetings held on 30th August, 2008, considered and approved the re-appointment of Mr. Sirajuddin Qureshi, Chairman and Managing Director for a further period of three years w.e.f 6th August, 2008 to 5th August, 2011, subject to the approval of the members at the ensuing Annual General Meeting.

**Auditors:**

The Statutory Auditors M/s M. K. Aggarwal & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such re-appointment within the meaning of section 226 of the said Act.

The Board recommends their re-appointment at the ensuing Annual General Meeting of the company.

**Auditor's Report:**

The observations of the Auditors in the Auditor's Report on the Annual Accounts for the year 2007-08, are explained and clarified as under:

Explanation to Point No. 4 of the Auditor's Report and Point No. C-7 of the Notes forming part of accounts to the Auditor's Report:

The Company is taking adequate steps for realization of its debts and reasonable provisions shall be made upon its realization in the subsequent years.

**Particulars of Employees:**

A statement showing the particulars of employees pursuant to section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 is mentioned below:-

Name	: Mr. Sirajuddin Qureshi
Designation	: Chairman & Managing Director
Qualification	: BA, LLB
Age	: 60 years
Gross Salary	: Rs. 30,30,000/-
Commission	: Rs. 2,69,297/-
Experience	: 31 years
Date of employment	: 05.08.1993

The salary is as per the special resolution passed by the shareholders in the 33rd Annual General Meeting.

**Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The Statement pursuant to 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, is given in the Annexure, forming part of this Report.

**Directors' Responsibility Statement:**

Pursuant to the requirements of section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2008, the applicable Accounting Standards have been followed along with proper explanations relating to the material departures;
- (ii) that the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that were 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 year under review;
- (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 Directors have prepared the Accounts for the Financial Year ended 31st March, 2008, on a 'going concern' basis.

**Personnel:**

The employer-employee relations throughout the year were very cordial. The Company enjoys a healthy working

atmosphere that inspires the employees to put their best foot forward in achieving a high-sustainable growth. The Directors also wish to place on record the support and confidence reposed in the management by the employees. Total quality in every sphere of activities, employee training and development continues to be on the top priority of your management.

**Acknowledgements:**

Your Directors would like to express their grateful appreciation for the co-operation and support extended by the Central Government, State Government, Financial Institutions, Bankers, Vendors and Shareholders of the company during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services and untiring efforts of the executives, staff and workers of the company at all the levels.

**ON BEHALF OF THE BOARD  
FOR HIND INDUSTRIES LIMITED**

Place : New Delhi  
Date : 30.08.2008

**SIRAJUDDIN QURESHI**  
CHAIRMAN & MANAGING DIRECTOR

**ANNEXURE TO THE DIRECTORS' REPORT**

**Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.**

**A) CONSERVATION OF ENERGY:**

The Company puts in continuous efforts for the improvement in energy efficiency and conservation of energy is given a very high priority while implementing all our projects. The Company understands that energy saving is one of the factor for the economic growth of the country. Your Company constantly evaluates new technologies and invests to make its infrastructure more energy-efficient.

**Energy conservation Measures Taken:**

- a) Energy conservation measures during the financial year:
  - (i) Proper inspections have been carried out for the effective functioning of the condensate return system.
  - (ii) Efforts have been regularly made to timely detect and rectify any steam/water leakage.
  - (iii) Regular meetings, lectures and demonstrations were organized to acquaint and train the workers and operators for keeping an efficient functioning and maintenance of the refrigeration and other delicate equipments of the Company.

- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
  - (i) The Company has replaced the Old DG Sets with new generation series, high efficiency Gen Sets have been installed to reduce the consumption of energy.
  - (ii) The Company has also revamped the old refrigeration pipe network including condensers to increase the overall efficiency.
  - (iii) The Company has implemented a proper system through which regular overhauling and timely replacement of inefficient equipments have been carried out and thereby, reduction in the consumption of energy.
  - (iv) The Company has installed equipments of optimum size and capacity in order to prevent the misuse / wastage of power & energy and also monitor the same on routine basis.
- c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The Company is able to achieve the consumption of energy per unit of production in line with the level of activity, due to conservation of energy measures undertaken as stated above during the year.

**d) Total energy consumption:**

**Power and Fuel consumption:**

Electricity	Current Year	Previous Year
<b>a) Purchased units (KWH)</b>	—	—
Total amount (Rs.)	—	—
Average rate/unit (Rs.)	—	—
<b>b) Own generation through diesel generator set</b>		
Units of electricity	<b>43,85,893</b>	59,63,799
Total cost (Rs.)	<b>3,52,92,068/-</b>	4,41,17,766/-
Cost per unit of electricity (Rs.)	<b>8.05</b>	7.40
<b>c) Furnace Oil</b>		
Ltrs	<b>468000</b>	150000
Cost in Rs.	<b>69,74,750/-</b>	23,67,692/-
Rate/Litre (Rs.)	<b>14.90</b>	15.78

**Consumption per unit of production:**

Fresh & Frozen Meat:	(Per K.G.)	
Particulars	Current Year	Previous Year
Energy (in Units)	<b>0.57</b>	0.73

**Form "B"  
(See Rule 2)****B) TECHNOLOGY ABSORPTION:****1. Research and Development (R&D):****a) Specific areas in which R & D activities carried out by the Company:**

Research & Development of new technologies, processes and methodologies are on the high priority list of your Company. This allows the Company to enhance quality, productivity and customer satisfaction through continuous innovation.

During the year under review, R & D activities have been carried out on improving the quality of finished products, reduction in wastage, conservation of energy.

**b) Benefits derived as a result of above R & D:**

The above activities helped the Company in improving the quality of products and customers' satisfaction. Reduction in wastages, energy consumption could be achieved, due to the aforesaid efforts made by the Company during the year under review.

**c) Future Plan of Action:**

The Company believes in making continuous R & D efforts in future too for further improving the technology towards achieving better taste and quality of the food products of the Company with minimum wastage.

**d) Expenditure on R & D:**

	Current Year	Previous Year
a) Capital (Rs.)	—	—
b) Revenue (Rs.)	3,735	2,084
c) Total (Rs.)	3,735	2,084
d) Total R&D expenses as a percentage of total Turnover	0.0003	0.0002

**2. Technology Absorption, Adaptation and Innovation:****a) Efforts in brief made towards technology absorption, adaptation and innovation:**

It has been Company's constant endeavor to apply such latest domestic and imported technology which improves efficiency and reduces cost. The Company is regularly employing qualified technical, operational, process, veterinary staff and food technologist for proper absorption, adaptation and innovation of the

technology. The employees are regularly imparted technical and professional training for their continuous updation.

**b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.:**

The Company is making regular efforts for adopting the latest manufacturing technology, which minimizes the wastage and contamination, if any and thereby reduces the cost.

**c) Technology imported: Nil****C) FOREIGN EXCHANGE EARNINGS AND OUTGO:****1. Efforts:**

Regular efforts have been made in order to maintain and consolidate the volume and realization of sales by exporting fresh, chilled and frozen quality meat products to the various existing as well as new International Markets.

**2. Steps taken to increase Exports:**

The Company is making regular efforts to explore new high realization international markets while maintaining the existing markets for enhancing the exports.

**3. Earnings and Outgo:**

Earnings of foreign exchange of the company have been to the tune of Rs.80,31,51,005/- (FOB Value) during the financial year 2007-08 (Previous year Rs.76,85,99,727/-), by way of exports and the foreign exchange outgo during the same period was Rs. NIL.

**ON BEHALF OF THE BOARD  
FOR HIND INDUSTRIES LIMITED**

Place : New Delhi  
Date : 30.08.2008

**SIRAJUDDIN QURESHI**  
CHAIRMAN & MANAGING DIRECTOR

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE & DEVELOPMENT

The Company is engaged in the manufacture and export of fresh, chilled and frozen meat and meat products. The Products of the company are widely acceptable and consumed in a large quantity worldwide. The Company, together with its Subsidiary Company, M/s Hind Agro Industries Ltd. is the largest exporter of the meat and meat products from northern India. Till date, only a few players existed in this meat export industry, which left enough space for the company to explore further. The Government is also playing its important role by extending its continuous support for the growth and development of the meat industry. Your company is trying to increase its margins and turnover by exploring new international markets. The focus of the company is to improve the business strategy, production integration, enhanced economies of scale, cost reduction and aggressive marketing, thereby increase the business by supplying the existing product range in the existing as well as in the alternative markets.

### 2. SEGMENTWISE/PRODUCTWISE PERFORMANCE

Your Company has only one segment of product, which is "Fresh & Frozen Meat". During the year under review (i.e.2007-08), as compared to the previous year (i.e.2006-07), there has been increase in the Total Production and the Sales made by the Company.

#### 2.1 PRODUCTION AND CAPACITY UTILISATION

Production achieved during the year under review, was 7680.85 M.T. as compared to 8163.94 M.T. during the previous year, which shows a downfall of around 5.92% over the previous year. The capacity utilization as a percentage of installed capacity is also decreased from 32.65% to 30.72% over the same period however steps are being taken to improve the capacity utilisation.

#### 2.2 SALES TURNOVER

The Company managed to achieve a Sales of Rs. 98.80 Crores during the year 2007-08, as compared to Rs. 90.96 Crores during the previous year 2006-07. The increase in sales amount is because of increase in sales price rate per K. G. However, the Company is making its intense efforts to increase its production and sales day-by-day.

### 3. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

#### 3.1 Raw Materials, Utilities and Packing Cost

The Raw Material Consumed to Sales was 64% during the year under review as compared to 54% in the previous year. The Consumption of Utilities and Packing Material Cost to Sales decreased to 1.36% in the year 2007-08, from 1.55% in the year 2006-07.

#### 3.2 Interest Cost

The Financial Cost in the year 2007-08 was at Rs.4.25 Crores as against Rs.4.38 Crores in 2006-07.

### 4. OPPORTUNITIES AND THREATS

#### 4.1 OPPORTUNITIES

- Fresh and Frozen Meat and Meat Products of the company have great export potential and demand in the international market. There exist very few players in this industry, which leaves enough space for the Company to capture this market.
- With the rich experience of the Promoters of the Company in Meat Industry and having a sound network in the Global Market, the Company will definitely continue to achieve its targets of being a leader in this field.
- The Company is having the services of a highly qualified and experienced work force and enjoys a very healthy industrial environment for its growth and development.
- The Company along with its Subsidiary Company i.e. M/s Hind Agro Industries Limited, enjoy about 20-25% share of Meat Export Industry and command a greater acceptability of their products internationally.
- The Government is extending its full support to the Export Industry and making its efforts in opening-up new alternate markets for the export.

#### 4.2 THREATS

- The Company, being an 100% E.O.U., has its entire sales for exports, which has its inherent uncertainties depending upon global developments and economic and political scenario of meat importing countries.
- High hidden infrastructure costs like indirect taxes, poor roads, erratic power & water supply, oil prices, low economies of scale, that continue to impede global competitiveness and export performance, remains a cause of concern for the company.
- The quality of raw material depends upon the health of livestock, which needs to be disease free for being worthy of acceptance in the international market.
- Since the meat and meat products of the Company are in a chilled and frozen form, the same are highly perishable in nature. So, strict care is required to continuously maintain the temperature to a certain freezing level during transit to avoid any contamination of the high value products of the Company.
- During the year under review the INR (Indian Rupees) appreciated almost 15% in comparison with USD (United State Dollar). Moreover as on date INR has stabilised but the company being a 100% export oriented unit, INR Versus USD still remains the main concern.

**5. FUTURE PROJECTS**

The Company is considering various expansion cum diversification cum integration plans. Presently it is desirous of establishing an Integrated Animal Husbandry, Rearing, Breeding and Meat Processing Project in the State of West Bengal, where it will breed, rear and process Buffaloes, Goats and meat products, etc. In order to set-up the said project, the company is in continuous talks with Government of West Bengal for allotment of land to the Company. The company has obtained in principle approval from State Bank of India, Kharagpur, West Bengal for augmenting its working capital needs.

The Company has obtained necessary licence for the High Security Registration Number Plate. The said project at Baddi, in the State of Himachal Pradesh is in progress and we are applying for the tenders in various states.

**6. OUTLOOK**

Your company manufactures and export meat and meat products, which has a great international market and demand, as the same is widely preferred and consumed product around the globe. As you know that India enjoys a rich and healthy livestock wealth that has a major scope for the development and growth of meat export industry. As before, your company will continue its thrust towards product and market development, better consumer services and technology upgradation, cost reduction and improve production efficiency for achieving a better growth. The Company is confident that by continuous upgradation and adoption of modern technology, it can have a major share of the market.

**7. RISKS AND CONCERNS**

The Meat industry has always been prone to national and international disturbances. It fluctuates quickly, whether in favor or against, to the changes in political-socio-economic scenario of any country. A slight shift in the Government Policy may have a big impact on the export performance of the Industry. Accordingly, the Company, currently being entirely focused on exports, has to bear such uncertainties. The Global prices are also determined subject to many factors and they carry little influence of an individual exporter. Hence, the volume and realizations of exports of the Company are vulnerable to such International prices and exchange rate fluctuations. However, judicious risk management policies, strong internal control systems, constant monitoring of various risk factors and a focus on greater market penetration continue to guide the business strategy of the company.

**8. HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

The Company recognizes that nurturing and recruiting the best talent is vital to the long term success of an organization. The Company is enjoying the availability of an effective and efficient manpower, which are

contributing their best in achieving the organizational goals. In response, the Company is also extended its full support to their needs, growth, development and aspirations. Employees are also provided with continuous opportunities for active learning and development which are viewed as key drivers of their personal growth and the success of the company. The Company has been able to maintain an excellent industrial rapport with its employees with no pending industrial dispute or conflict. The Company's Commitment to maintain harmony in Industrial Relations has resulted in achieving high productivity standards in the Industry.

**9. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY**

Your company has a proper and adequate system of internal control to ensure effective internal checks and provides assurance to the efficiency of operations, security of assets against loss from unauthorized use or disposition and that all the transactions are authorized, recorded and reported correctly.

The Company adheres to and abides by the strict Internal Control and Management Information System. The Company has maintained an inbuilt Internal Audit System looked after by a highly experienced and qualified team of professionals. The services of an independent Chartered Accountant firm, i.e. M/s. M. S. Sekhon & Co., have also been taken to add more emphasis to the internal/concurrent audits of the Company. The above firm also maintains a direct reporting relationship on quarterly basis with IFCI Ltd. a term lender to the company, about the working of the company. It is also pertinent to note that a summary of audit observations and action taken by the management are placed before and discussed at the Audit Committee Meetings. The suggestions and directions of Audit Committee are recorded and action taken accordingly.

**10. SOCIAL RESPONSIBILITY AND COMMUNITY DEVELOPMENT**

The Company is making its regular efforts in improving the socio-economic environment in and around the factory, especially towards maintaining a clean and green pollution free surroundings, improving the quality of life of its suppliers, employees and all concerned, through its efficient functioning and by taking all precautions against all sorts of environmental hazards. Special care for conserving the scarce natural and infrastructure resources like, energy, water, steam etc. is taken for avoiding wastages. Developing and improving the agricultural resources, especially livestock, is given an utmost priority by the Company. Further, being 100% Export Oriented, the Company continuously strives to boost exports for better contributions towards the Foreign Exchange coffers of the Nation. The Company is fully conscious of its social responsibilities and has been discharging them to the fullest extent.

**11. CAUTIONARY STATEMENT**

The statements made in this report and those appearing elsewhere, may be forward-looking statements, that set forth anticipated results based on management plans and assumptions. These statements are likely to address the Company's growth strategy, financial results, market position, product development, product potential and development programs. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. Among the other factors that could cause the actual results to differ materially are:

- the impact of existing and future regulatory provisions on product exclusivity;
- interest and foreign currency exchange rate fluctuations;
- statutory legislations and regulations affecting operations, including tax obligations; and other allied factors.

**ON BEHALF OF THE BOARD  
FOR HIND INDUSTRIES LIMITED**

Place : New Delhi  
Date : 30.08.2008

**SIRAJUDDIN QURESHI**  
CHAIRMAN & MANAGING DIRECTOR

## CORPORATE GOVERNANCE REPORT

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good Corporate Governance goes beyond compliance and involves a company wide commitment. The detailed report on Corporate Governance for the Financial Year 2007-2008, as per the format prescribed by SEBI and incorporated in the revised clause 49 of the Listing Agreement is set out below:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is totally committed and devoted towards achieving business excellence and enhancing shareholder value by following the best disclosure practices with a high level of integrity, accountability, fairness, transparency and responsibility to all the stakeholders, such as shareholders, creditors, suppliers, lenders, consumers, employees, etc. The Company understands that good corporate governance and transparency in actions of the management is the key to a strong bond of trust with the Company's stakeholders.

### 2. BOARD OF DIRECTORS

#### Composition

The Board of Directors of the Company comprises of six members including one Executive Director, five Non-Executive Directors, of which three are Independent Directors, including a Nominee Director of IFCI Limited. The Board believes that the current size is appropriate based on the company size and circumstance and is appropriate mix of Non-Executive and Independent Directors to maintain the independency of the Board. The Directors are professionally competent and highly respected persons from their respective fields and provide valuable contribution to the decisions and deliberations of the Board.

The brief profile of the Company's Board is as under:

**Mr. Sirajuddin Qureshi**, 60 Years, Chairman and Managing Director of the company, done Bachelor of Arts in 1970 and LL.B in 1973 from the University of Delhi. He is an emerging and promising first generation entrepreneur with more than 30 years of vast experience in the field of Food Processing and Marketing. He focused the interests in export as early as in the year 1990, as a result of which, the 100% Export Oriented Meat Processing Plant of the Company was set up at Sahibabad in the State of Uttar Pradesh. He has also laid down the foundation of the Subsidiary Company, i.e. Hind Agro Industries Limited in the year 1994, having the modern State-of-the-art abattoir-cum-meat processing Plant in Aligarh, Uttar Pradesh.

He is a coveted member of various prestigious Government and Non-Government Bodies of Commerce and Industry. He has been honored with several awards and recognitions from the Government of India for his

contributions to the Export Industry. He is an Executive Director on the Board of the company with overall responsibility of the affairs of the company. He has highly contributed for the growth and development of the Hind Group to its present position as market leader in India in its field.

**Mrs. Kiran Qureshi**, 58 years, wife of Mr. Sirajuddin Qureshi, is having rich experience of more than two decades in the various areas of meat Industry. She has completed Bachelor of Arts and LL.B from the University of Delhi. She is a widely travelled person and has got wide exposure of the different aspects of the Export Business. She is the Promoter-Director of the Company and also of the Subsidiary Company i.e. Hind Agro Industries Ltd.

**Dr. Naseem Qureshi**, 44 years, B.Sc., BUMS., brother of Mr. Sirajuddin Qureshi, has nearly one and half decade of valuable experience in the various areas of meat industry, specially procurement of raw material, marketing, product development, techno-commercial areas and export. He has worked for the company as its Vice President for about four years and has also been associated with the Subsidiary Company i.e. Hind Agro Industries Ltd., as President from the last eight years.

**Mr. B. B. Gupta**, 61 years, Senior Advocate, is engaged in his practice of advocacy since 1973. He regularly appears before the High Court & District Court. He has more than three decades of rich experience in various aspects of legal matters. He has a deep insight into the functioning of different industries. He is an eminent member of the various Institutes/Bar Council, viz. Indian Law Institute, New Delhi, Institute of Constitutional & Parliamentary Studies, New Delhi, Supreme Court Bar Association, Delhi High Court Bar Association, International Jurists Organization etc. He is also the member on the different Committees of the Directors of the company.

**Mr. B. B. Huria**, 64 years, B.Sc., M.S. (Mechanical Engineering), Diploma in Russian-English Translation & Interpretation, Peoples' Friendship University, Moscow, is an Ex-Chief General Manager of the IFCI Ltd. He has four decades of rich experience in various aspects of finance, banking, IT, audit and administration. He has been on the Board of various companies as an expert on Finance and Banking. He has a deep insight into the functioning of different industries. He is an eminent member on the different Committees of the Directors of the company.

**Mr. Rakesh Kapoor**, 53 years, B.Sc. (Honours) and Diploma in Management, is a Nominee of IFCI Ltd. on the Board of the Company. He is working as General Manager with IFCI Ltd., a lead Financial Institution of the Government of India. He has more than 30 years of rich experience in the field of Audit, Finance and Taxation etc. with the various Corporate & Financial Sectors. He is also a member of the various Committees of Directors across various companies.



The Nomination of Mr. Rakesh Kapoor, was withdrawn by IFCI Ltd with effect from 15th July, 2007 and Mr. Dinesh Sharma is the present Nominee Director of IFCI on the Board & its Committees.

**Mr. Dinesh Sharma**, 55 years, M.A. (Economics) and Master of Business Administration, is a Nominee of IFCI Ltd. on the Board of the Company. He is working as General Manager with IFCI Ltd., a lead Financial Institution of the Government of India. He has more than 30 years of rich experience in the field of Audit, Finance and Taxation etc. with the various Corporate & Financial Sectors. He is also the member of the various Committees of Directors of the company.

#### Meeting of Board of Directors

The Board had met six times during the last Financial Year (i.e. 2007-08). The meetings were held on 28th April, 2007, 9th June, 2007, 28th July, 2007, 31st August, 2007, 27th October, 2007 and 23rd January, 2008. The Company Secretary furnished detailed agenda notes and the information required to be given in terms of business on the agenda in advance to the Directors. The Board meets at least once a quarter to review the quarterly results and other items on the agenda.

#### Attendance of Directors

The details of attendance of each Director at the said Board Meetings as well as at the Annual General Meeting, Memberships/Chairmanships of the Committees, outside directorships of each Director are as under:

Name	Category	Attendance		Committee Membership/ Chairmanship *		No. of Outside Directorships#
		Board Meeting	Annual General Meeting	Committee Membership	Chairmanship	
Mr. Sirajuddin Qureshi	Chairman & Managing Director	6	Yes	1	1	4
Mrs. Kiran Qureshi	Non-Executive	LOA	No	Nil	Nil	3
Dr. Naseem Qureshi	Non-Executive	1	No	Nil	Nil	2
Mr. B. B. Huria	Independent	5	Yes	3	Nil	2
Mr. B. B. Gupta	Independent	6	Yes	2	2	Nil
Mr. Rakesh Kapoor +	Independent	1	No	6	Nil	5
Mr. Dinesh Sharma	Independent	4	No	2	Nil	Nil

+ The Nomination of Mr. Rakesh Kapoor, was withdrawn by IFCI Ltd with effect from 15th July, 2007 and Mr. Dinesh Sharma is the present Nominee Director of IFCI on the Board & its Committees.

\* The Memberships/Chairmanships in Audit Committee and Shareholders' Grievance Committee are reported and other Committees membership/chairmanship has not been included in this report.

# This excludes directorships held in Private Limited Companies.

#### Shareholding of Directors in the Company

(As on 31.03.2008)

S. No.	Name of the Director	No. of Equity Shares of Rs.10/- each
1	Mr. Sirajuddin Qureshi	3,28,350
2	Mrs. Kiran Qureshi	5,94,250
3	Dr. Naseem Qureshi	1,00,150
4	Mr. B. B. Gupta	2,000
5	Mr. B. B. Huria	Nil
6	Mr. Rakesh Kapoor	Nil
7	Mr. Dinesh Sharma	Nil

#### Re-appointment of Director

Mrs. Kiran Qureshi, Director shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Her brief resume has been provided in the Notice as well as in this report.

**Code of Conduct**

The Board has laid down the Code of Ethics and Business Conduct for all Board members, Senior Management personnel of the company. A copy of the Code has also been put on the website of the company.

**Certificate of Code of Conduct for the year 2007-08**

The Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all directors, senior management personnel of the company.

The Code has been circulated to all the members of the Board and Senior Management personnel and the compliance of the same has been affirmed by them. A declaration signed by the Chairman and Managing Director is given below:

"I hereby certify that the company has obtained from all the Board Members and Senior Management personnel, the affirmation that they have complied with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2007-08."

**ON BEHALF OF THE BOARD  
FOR HIND INDUSTRIES LIMITED**

Place : New Delhi  
Date : 30.08.2008

**SIRAJUDDIN QURESHI**  
CHAIRMAN & MANAGING DIRECTOR

**3. COMMITTEES OF DIRECTORS****(A) AUDIT COMMITTEE:****Composition**

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling its responsibilities, there exists an Audit Committee of Directors, consisting of three Non-executive Independent Directors. The following Directors are the present members of the Committee.

- 1) Mr. B. B. Gupta
- 2) Mr. B. B. Huria
- 3) Mr. Dinesh Sharma (IFCI Nominee)\*

They are financially literate, possess good accounting, taxation, audit and related financial management expertise. Mr. B. B. Gupta is the Chairman of the committee. Mr. B. B. Huria and Mr. Dinesh Sharma are the members of the Committee.

\* The Nomination of Mr. Rakesh Kapoor, was withdrawn by IFCI Ltd with effect from 15th July, 2007 and Mr. Dinesh Sharma is the present Nominee Director of IFCI on the Board & its Committees.

**Terms of Reference of the Audit Committee**

The terms of reference of Audit Committee are as per the revised guidelines set out in the Listing Agreement

entered into with the Stock Exchange read with section 292A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time.

The Audit Committee is responsible for the effective supervision of the financial reporting process, reviewing with the management the financial statements and ensuring their compliance with accounting standards, stock exchange and other legal requirements, reviewing the internal audit system, assessing their adequacy and ensuring compliance with internal controls, follow-up action on significant findings and reviewing quarterly and annual accounts.

**Role & Power of the Committee**

In view of the provisions of section 292A of the Companies Act, 1956 and the matters specified under amended clause 49 of the Listing Agreement with the Stock Exchange, the Audit Committee has been vested with the following powers:

- i) To investigate into any matter in relation to the items specified in section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose shall have full access to the information contained in the records of the Company;
- ii) To investigate any activity within its terms of reference;
- iii) To seek information from any employee;
- iv) To obtain outside legal or other professional advise;
- v) To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Meeting of Audit Committee**

During the year 2007-08, the Committee met five times on 28th April, 2007, 28th July, 2007, 31st August, 2007, 27th October, 2007 and 23rd January, 2008. The attendance of the members of the Committee in the meetings is as under:

Name	No. of Meetings during the Year (2007-08)	
	Held	Attended
Mr. B. B. Gupta	5	5
Mr. B. B. Huria	5	4
Mr. Rakesh Kapoor*	1	Nil
Mr. Dinesh Sharma	4	4

\* The Nomination of Mr. Rakesh Kapoor, was withdrawn by IFCI Ltd with effect from 15th July, 2007 and Mr. Dinesh Sharma is the present Nominee Director of IFCI on the Board & its Committees.

The Company Secretary of the Company acts as the Secretary of the Audit Committee.

The Committee reviewed the quarterly/annual financial results of the company prepared in accordance with the

Accounting Standards and recommended the same to the Board of Directors for their adoption.

The Chairman of the Audit Committee briefs the Board of Directors, on the Audit Committee's observations on various issues discussed at the meetings. The Minutes of the Audit Committee Meetings are circulated to the Board Members for their confirmation and ratification.

All the suggestions/recommendations of the Audit Committee during the financial year 2007-08, have been accepted by the Board of Directors.

## (B) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

### Composition

During the year under review, the Grievance Committee of Directors of the Company is duly constituted with three Non-executive Independent Directors. The following Directors are the present members of the Committee.

- 1) Mr. B. B. Gupta
- 2) Mr. B. B. Huria
- 3) Mr. Mr. Dinesh Sharma (IFCI Nominee)\*

Mr. B. B. Gupta is the Chairman of the committee and Mr. B. B. Huria and Mr. Dinesh Sharma are the members of the committee.

\* The Nomination of Mr. Rakesh Kapoor, was withdrawn by IFCI Ltd with effect from 15th July, 2007 and Mr. Dinesh Sharma is the present Nominee Director of IFCI on the Board & its Committees.

The objective of this Committee is to monitor the redressal of shareholders and investors' complaints relating to the transfer of shares, non-receipt of the annual report, non-receipt of dividends and issuance of duplicate share certificates, etc.

### Meetings during the year

During the year 2007-08, the committee met once on 31st August, 2007 and all the members attended the meeting. The Committee discussed the following complaints received during the period regarding non-receipt of Annual Report, Dividend, allotment/call money and the transfer of shares etc., which were attended to and redressed by the Company:

Nature of Complaints	No. of Complaints Received	No. of Complaints Redressed	No. of Complaints Pending
With regard to non receipt of dividend.	5	5	Nil
With regard to share transfer, transmission, transposition.	4	4	Nil
With regard to non-receipt of Annual Report.	5	5	Nil
With regard to payment of allotment money.	8	8	Nil
With regard to issue of duplicate certificates.	2	2	Nil
With regard to non receipt of refund of share application money.	1	1	Nil
<b>Total</b>	<b>25</b>	<b>25</b>	<b>Nil</b>

There have been no material grievances raised and all items referred have been dealt with. All the complaints were resolved to the satisfaction of shareholders.

## (C) REMUNERATION COMMITTEE

### Composition

The Remuneration Committee of Directors of the Company is duly constituted with three Non-executive Independent Directors. The following Directors are the present members of the Committee.

- 1) Mr. B. B. Gupta
- 2) Mr. B. B. Huria
- 3) Mr. Dinesh Sharma (IFCI Nominee)\*

Mr. B. B. Gupta is the Chairman of the committee and Mr. B. B. Huria and Mr. Dinesh Sharma are the members of the committee.

\* The Nomination of Mr. Rakesh Kapoor, was withdrawn by IFCI Ltd with effect from 15th July, 2007 and Mr. Dinesh Sharma is the present Nominee Director of IFCI on the Board & its Committees.

### Terms of Reference

The Terms of reference of the remuneration committee, inter alia, include determination of compensation package of Executive Director and Non-Executive Directors of the company.

### Meetings and Attendance during the year

During the year 2007-08, the Committee could not meet, since there was no matter of remuneration to be discussed by the committee.

### Remuneration Policy

The remuneration policy of the company is directed towards rewarding performance, based on review of the achievements. The remuneration policy of the company is in consonance with the existing industry practice, which is broadly based on the following criteria:

- 1) Job responsibilities
- 2) Key performance areas
- 3) Industry trend

**Details of the Remuneration**

At present, the Company is paying remuneration only to the Chairman and Managing Director of the company. The aggregate value of salary and perquisites for the year ended on March 31, 2008 of the Chairman and Managing Director of the Company is as under:

(Amount in Rs.)

Name of the Director	Salary and perquisites			
	Salary	Perquisites	PF	Commission
Mr. Sirajuddin Qureshi	18,00,000/-	12,30,000/-	9,360/-	2,69,297/-

**Compensation/Fees paid to Non-Executive Directors**

The Company is making payment to the Non-Executive Directors by way of sitting fees only for attending the Board and Committee Meetings.

**Subsidiary Company**

The Company has one material non-listed Indian Subsidiary Company. i.e. M/s Hind Agro Industries Limited, more so explained in the Directors' Report. One Independent Director on the Board of Directors of the Company, namely Mr. B. B. Huria was also a Director on the Board of Directors of the Subsidiary Company.

During the financial year under review the nomination of Mr. Rakesh Kapoor, was withdrawn by IFCI Ltd from both the Holding and the Subsidiary Companies hence to comply with the requirements of Clause 49, Mr. B. B. Huria Independent Director of Hind Industries Limited was appointed as an Additional Director on the Board of Hind Agro Industries Ltd.

In compliance of the provisions of Clause 49 of the Listing Agreement, the Audit Committee of the Company reviewed the financial statements of the Subsidiary Company. The Minutes of the Board Meetings of the Subsidiary Company are also placed at the Board Meetings of the Company.

**CEO/CFO Certification**

The Board has recognized the Chairman & Managing Director of the company as CEO and the CFO-Hind Group as the CFO for the limited purpose of compliance under the Listing Agreement. The CEO and CFO have certified, in terms of Clause 49 of the Listing Agreement, to the Board that the financial statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws, internal control and disclosure norms.

**Compliance Officer**

Mr. Samar Bhatia, Company Secretary is designated as the Compliance Officer under SEBI (Disclosure and Investor Protection) Guidelines, 2000, for the compliance of the Listing Agreement, SEBI Rules & Regulations and overseeing/addressing the investor complaints, etc. During the financial year Mr. Vikas Sabharwal, Company Secretary left from the company hence Mr. Samar Bhatia has been appointed as Company Secretary and Compliance Officer.

**Compliance**

Certificate from the Company's Auditors on the compliance of Corporate Governance, as required under Clause 49 of the Listing Agreement, is incorporated in this Annual Report.

**4. GENERAL BODY MEETINGS:**

The particulars of AGM's held during the last three years are as under: -

AGM	Date	Time	Venue
32nd AGM	30.09.2005	9.30 A.M.	Seble Hall, Main Mathura Road, Badarpur, New Delhi - 44
33rd AGM	30.09.2006	9.30 A.M.	Same as above.
34th AGM	29.09.2007	9.30 A.M.	Same as above.

All the special resolutions in the previous three Annual General Meetings have been passed by the company with requisite majority. None of the resolution placed before the previous AGMs required a postal ballot under section 192A of the Companies Act, 1956. However, the company on 23rd July, 2007 completed a process of Postal Ballot and passed a special resolution to the effect of altering its Memorandum of Association by addition of 2 new objects in its main object clause III (A). Hence, there are no such resolutions which are proposed to be passed by Postal Ballot in the ensuing Annual General Meeting.

**5. DISCLOSURES:**
**The details of materially significant Related Party Transactions:**

The company has entered into few transactions with the other companies, firms and parties during the year under review, in which directors are interested. However, these transactions were in the normal course of business and not considered in conflict with the interest of the company. The Company has received General Notices of Disclosure of Interest from the Directors under section 299 of the Companies Act, 1956.

The disclosure of transactions with the related parties as per Accounting Standard-18, is appearing in Note C-2 of Schedule 16 of the annual accounts of the Company for the year ended on 31st March, 2008.

**Details of non-compliance, penalties etc. imposed by Stock Exchange, SEBI etc. on any matter related to Capital Market during the last 3 years:**

There has been no non-compliance of any legal requirements nor have been any strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market during the last three years.

**Accounting Treatment**

The Company's Financial Statements are prepared as per the guidelines of Accounting Standards issued by the Institute of Chartered Accountants of India.

**Risk Management**

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. The Board of Directors reviewed the risk assessment and control process in the company and is satisfied that the process is appropriate to the company needs.

**Management Discussion and Analysis**

A 'Management Discussion and Analysis Report', which forms part of Annual Report, is given by means of a Separate Annexure attached to the Directors' Report.

**6. MEANS OF COMMUNICATION**

- (a) Quarterly Financial Results of the Company are generally published in widely circulated newspapers namely "Business Standard" and "Veer Arjun" and the copies of the results are simultaneously supplied to the Stock Exchange.
- (b) The Company has not made any presentation to any Institution/ Investor/Analyst.
- (c) The financial results are also posted on the website of the company [www.hindindustries.net](http://www.hindindustries.net) and on the

Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI in association with the National Informatics Centre (NIC).

- (d) The Company has e-mail addresses, which are as under:  
**info@hind.in & investors@hind.in**

**7. GENERAL SHAREHOLDERS INFORMATION**
**(a) ANNUAL GENERAL MEETING**

DATE : September 30, 2008  
 DAY : Tuesday  
 TIME : 9.30 A.M.  
 VENUE : Seble Hall, Main Mathura Road,  
 Badarpur, New Delhi-110044

**(b) FINANCIAL CALENDAR**
**Financial reporting for the**

Quarter ending June 30, 2008 : July, 2008  
 Quarter ending September 30, 2008 : October, 2008  
 Quarter ending December 31, 2008 : January, 2009  
 Quarter ending March 31, 2009 : April, 2009

**(c) DATE OF BOOK CLOSURE**

Monday, the 22nd September, 2008 to Tuesday, the 30th September, 2008 (both days inclusive).

**(d) LISTING ON STOCK EXCHANGES**

1. The Bombay Stock Exchange Limited, Mumbai,
2. The Calcutta Stock Exchange Association Ltd., Kolkata.

**(e) STOCK CODE : 526307 (BSE)**
**(f) DEMAT/REMAT ISIN NO. FOR EQUITY SHARES**  
 INE675B01019

**(g) MARKET PRICE DATA (FINANCIAL YEAR 2007-2008)**

The monthly high/low prices and volume of shares of the company traded on BSE from April, 2007 to March, 2008 are given below:

MONTH & YEAR	OPEN RS.	HIGH RS.	LOW RS.	CLOSE RS.	NO. OF SHARES	NO. OF TRADES
April 07	23.90	34.00	19.30	29.15	130325	527
May 07	28.25	35.50	25.45	26.30	156458	739
June 07	26.00	30.95	26.00	26.75	113618	618
July 07	26.70	34.80	25.10	30.80	555761	1915
August 07	29.60	36.10	23.00	26.30	1076341	4275
Sept. 07	27.85	29.65	25.50	27.05	239552	1189
Oct. 07	27.10	30.00	20.00	24.75	170068	791
Nov. 07	27.90	29.90	22.70	25.50	174858	1120
Dec. 07	27.70	39.85	25.00	38.80	512863	3029
Jan. 08	41.40	51.15	24.30	26.05	760125	4299
Feb. 08	24.75	27.15	22.00	23.50	57971	620
March 08	23.00	23.50	16.00	19.95	195020	407

Source: - [www.bseindia.com](http://www.bseindia.com)

**(h) REGISTRAR AND SHARE TRANSFER AGENT**

In terms of the provisions relating to the Listing Agreement entered into with the Stock Exchange, the Company is continuing with the services of M/s SKYLINE FINANCIAL SERVICES PRIVATE LIMITED for both dematerialized and physical shares of the Company for processing Demat/Remat, transfers, sub-division, consolidation, splitting of securities etc. All the correspondence relating to the above should be sent to the following address:

**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**  
123, VINOBA PURI,  
LAJPAT NAGAR – II,  
NEW DELHI – 110024

**(i) SHARE TRANSFER SYSTEM**

To expedite the transfer, authority has been delegated to the Share Transfer Committee of the Directors of the

Company. The officers of the company are also authorised to oversee the share transfer procedure. The Share Transfer Committee meets once in a fortnight to approve the transfer of shares, Demat/Remat, issue of duplicate, renewed, splitted and consolidated share certificates etc. The Registrar and Share Transfer Agent (RTA) ensure the dispatch of transferred and other share certificates duly signed by the abovesaid officers within 21 days of the receipt. In compliance with the Listing Agreement and SEBI Circular, at every three months the audit of total share capital held in NSDL, CDSL and in physical form at the office of the RTA conducted by a Practicing Company Secretary and at every six months, the Share Transfer System is also audited by him and a Report/Certificate to that effect issued by him. The said Reports/Certificates are also submitted to the Bombay Stock Exchange Ltd. within stipulated time.

**(j) SHAREHOLDING PATTERN AND DISTRIBUTION OF SHARES AS ON 31ST MARCH, 2008:**
**(A) SHAREHOLDING PATTERN**

Category	No. of Shares	% of Total
Promoters	3486800	40.37
Directors & Relatives	191850	2.22
Financial Institutions	532518	6.17
Nationalized Banks	200	0.00
Mutual Funds	10100	0.12
Bodies Corporate	490154	5.68
Public	3836481	44.42
NRI's/OCB's	88137	1.02
<b>Total</b>	<b>8636240</b>	<b>100.00</b>

**(B) DISTRIBUTION OF SHAREHOLDING**

Slab	Shareholders		Shares Held	
	No.	Percentage	No.	Percentage
Upto 500	7769	92.94	1001213	11.59
501-1000	286	3.42	231696	2.68
1001-2000	126	1.51	190961	2.21
2001-3000	45	0.54	115460	1.34
3001-4000	25	0.30	87923	1.02
4001-5000	19	0.23	87677	1.02
5001-10000	26	0.31	186641	2.16
10001 and above	63	0.75	6734669	77.98
<b>Total</b>	<b>8359</b>	<b>100.00</b>	<b>8636240</b>	<b>100.00</b>

**(k) LIQUIDITY AND DEMATERIALIZATION OF SHARES**

The shares of the Company are compulsorily tradable in dematerialized form from January 2002, in rolling settlement segment of Bombay Stock Exchange, as per the Notification issued by the Securities and Exchange Board of India. The Company has dematerialized 50,00,656 nos. of equity shares as on 31st March, 2008 and 5013856 nos. of shares upto 22nd August, 2008 in both the Depositories i.e. National Securities Depository Ltd.(NSDL) and Central Depository Services of India Ltd.(CDSL).

**(l) OUTSTANDING GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:** Not Applicable**(m) PLANT LOCATION**

**HIND INDUSTRIES LIMITED**  
B-42, Site IV,  
Sahibabad Industrial Area,  
Distt. Ghaziabad, (U.P.) – 201010.  
Phone: 95120-2895342  
Fax: 95120-2895341

**(n) ADDRESS FOR CORRESPONDENCE**

**HIND INDUSTRIES LIMITED**  
Registered Office: A-1, Phase-I,  
Okhla Industrial Area,  
New Delhi-110020.  
Phone: 26372786 (7 Lines).  
Fax: 26817941-42.  
E-mail: info@hind.in

**ON BEHALF OF THE BOARD  
FOR HIND INDUSTRIES LIMITED**

Place : New Delhi  
Date : 30.08.2008

**SIRAJUDDIN QURESHI**  
CHAIRMAN & MANAGING DIRECTOR

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**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S).**

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To the Members of Hind Industries Limited,

1. We have examined the compliance of Corporate Governance by M/s Hind Industries Limited, during the year ended 31st March, 2008, with the relevant records and documents maintained by the Board of Directors of the Company as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.
2. 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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.

3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges' have been complied with in all material respects by the Company.

**For M. K. AGGARWAL & CO.**  
Chartered Accountants

Place : New Delhi  
Date : 30<sup>th</sup> August, 2008

**(ATUL AGGARWAL)**  
Partner  
(M. No. 99374)

**AUDITORS' REPORT**

To  
**THE MEMBERS OF  
HIND INDUSTRIES LTD.**

1. We have audited the attached Balance Sheet of M/s HIND INDUSTRIES LIMITED as at 31st March, 2008 and the Profit & Loss Account and also the Cash Flow Statement of the company 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 misstatements. 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 estimate made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matter specified in paragraphs 4 and 5 of the said order.
4. *Provision for Sundry Debtors pending adjustment. (Refer Note C.7 of Notes forming part of Balance Sheet.)*
5. Further to our comments in the Annexure referred to in paragraph (3) 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 accounts as required by law have been kept by the company, so far as appears from our examination of the books;
  - (iii) The Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts ;
  - (iv) In our opinion, the Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in (3C) of Section 211 of the Companies Act, 1956;
  - (v) On the basis of the written representations received from Directors, as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2008 from being appointed as a Director, in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;
  - (vi) Subject to para (4) above and in our opinion and to

the best of our information and according to the explanations given to us, the said accounts red together with significant accounting policies and subject to other note 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, 2008; and
- b) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

**For M. K. AGGARWAL & CO.**  
Chartered Accountants

**(ATUL AGGARWAL)**

Date : 30<sup>th</sup> August, 2008

Partner

Place : New Delhi

(M. No. 99374)

**ANNEXURE TO AUDITOR'S REPORT**

**(Referred to in paragraph [3] of our report of even date)**

**(I) In respect of its fixed assets:**

- (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As informed to us, most of the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification as per explanation and information given to us.
- (c) In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.

**(II) In respect of its inventories:**

- (a) As explained to us, inventories have been physically verified by the Management in accordance with perpetual inventory program at regular intervals during the year.
- (b) In our opinion, the procedures of physical verification of inventory followed by 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 inventories. As explained to us, there were no material discrepancies noticed in physical verification as compared to book records.

**(III) In regard to Loans and Advances:**

- (a) The Company has granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, and there is total amount



- outstanding at the year end is Rs. 1436.85 lacs from four parties. However, the terms & conditions as regard thereto are not prima-facie prejudice to the interest of the company.
- (b) As informed, the company has taken loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and the total amount of outstanding is Rs.0.15 lakhs from one party. However, the terms & conditions as regard thereto are not prima-facie prejudice to the interest of the company.
- (c) According to the records of the company examined by us and the information and explanations given to us, there is no overdue amount of loans taken or granted to companies, firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956.
- (IV) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- (V) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (VI) The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and therefore we have no comments to offer.
- (VII) In our opinion and according to the information and explanations given to us, 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 the 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) In respect of statutory dues:
- (a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance Fund, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, Central Sales Tax, Cess and other material statutory dues applicable to it, have generally deposited with the appropriate authorities except a sum of Rs. 71.08 Lakhs payable to Income Tax Department in view of pending refunds.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding at the year end for a period more than six months from the date they became payable.
- (X) The Company does not have accumulated losses at year end. However it has not incurred any cash losses in the current year and immediately preceding financial year.
- (XI) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions/banks as at the year end and renegotiated settlement has been accepted.
- (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 Nidhi / mutual benefit fund/society.
- (XIV) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (XV) According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiary from a bank, the terms and conditions whereof in our opinion are not prime-facie prejudicial to the interest of the Company.
- (XVI) Based on the information and explanations given to us the term loans raised earlier have been applied for the purposes for which the loans were obtained.
- (XVII) According to the information and explanations given to us, and on overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used prima-facie for long-term investment by the Company.
- (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) The company does not have any outstanding debentures during the year.
- (XX) The Company has not raised any money by way of public issue during the year.
- (XXI) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

**For M. K. AGGARWAL & CO.**  
Chartered Accountants

**(ATUL AGGARWAL)**

Partner

(M. No. 99374)

Date : 30<sup>th</sup> August, 2008  
Place : New Delhi



## BALANCE SHEET AS AT MARCH 31ST, 2008

PARTICULARS	Schedules	AS AT 31.03.2008 (Rs.)		AS AT 31.03.2007 (Rs.)	
<b>SOURCES OF FUNDS</b>					
<b>1. Shareholder's Funds</b>					
a) Share Capital	1	89,591,200		89,591,200	
b) Reserves & Surplus	2	500,996,752	590,587,952	497,289,775	586,880,975
<b>2. Loan Funds</b>					
a) Secured Loans	3	554,448,815		397,672,792	
b) Unsecured Loans		10,445,386	564,894,201	49,508,399	447,181,191
<b>3. Deferred Tax Liability</b>			58,781,739		42,091,000
<b>TOTAL</b>			<b>1,214,263,892</b>		<b>1,076,153,166</b>
<b>APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets :</b>					
a) Gross Block	4	565,398,043		564,033,547	
b) Less: Depreciation		226,588,554		203,479,598	
c) Net Block			338,809,489		360,553,949
d) Capital Work in Progress - HSRP			23,923,007		23,923,007
e) Expenses incurred on Project-HSRP			5,728,463		4,801,199
f) Expenses incurred on Project-Salboni			2,262,338		952,450
<b>2. Investments</b>	5		187,500,000		187,500,000
<b>3. Current Assets, Loans &amp; Advances</b>	6	719,752,799		560,734,657	
Less: Current Liabilities & Provisions	7	63,712,204		62,312,096	
<b>Net Current Assets</b>			656,040,595		498,422,561
<b>TOTAL</b>			<b>1,214,263,892</b>		<b>1,076,153,166</b>
Significant Accounting Policies and Notes forming Part of Accounts	16				

For and on behalf of the Board

As per Report of even date attached  
For & on behalf ofSIRAJUDDIN QURESHI  
Chairman & Managing DirectorDR.NASEEM QURESHI  
DirectorR.K.GOEL  
Chief Financial OfficerM .K. AGGARWAL & CO  
Chartered AccountantsD.GUHA  
Dy. General Manager (I.A.)  
(Finance & Accounts)MOHD.ALI SHAUKAT  
Dy. General Manager  
(Finance & Accounts)SAMAR BHATIA  
Company Secretary(ATUL AGGARWAL)  
Partner  
(Membership No.99374)PLACE : NEW DELHI  
DATE : 30/08/2008

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH.31ST, 2008**

PARTICULARS	Schedules	For the year Ended	For the year Ended
		31.03.2008 (Rs.)	31.03.2007 (Rs.)
<b>INCOME</b>			
Sales	8	987,993,883	909,620,891
Other Income	9	6,392,358	13,502,501
Increase / (Decrease) in Closing Stock	10	17,504,616	(10,759,453)
		<b>1,011,890,857</b>	<b>912,363,939</b>
<b>EXPENDITURE</b>			
Manufacturing Expenses	11	698,750,245	565,117,184
Payment to & Provision for Employees	12	32,671,641	30,496,171
Administrative & Other Expenses	13	13,377,708	18,881,992
Selling , Distribution & Other Expenses	14	174,180,767	169,229,008
Financial Expenses	15	42,503,216	43,885,507
Depreciation	4	26,776,881	26,128,866
		<b>988,260,457</b>	<b>853,738,728</b>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>23,630,400</b>	<b>58,625,211</b>
i) Previous Year Expenses		46,750	—
ii) Income Tax for Current Year		2,677,324	6,386,411
iii) Income Tax for Earlier Years		63,547	575,079
iv) Fringe Benefit Tax		380,000	555,172
v) Deferred Taxes		16,690,739	12,502,362
vi) Wealth Tax for Current Year		—	—
vii) Wealth Tax for Earlier Year		36,257	—
<b>PROFIT / (LOSS) AFTER TAXATION</b>		<b>3,735,783</b>	<b>38,606,187</b>
Balance brought forward		418,117,714	379,511,527
Surplus/deficit brought forward from previous year		—	—
<b>Surplus / (Deficits) Carried to Balance Sheet</b>		<b>421,853,497</b>	<b>418,117,714</b>
<b>Earning per share</b>		<b>0.43</b>	<b>4.47</b>
Significant Accounting Policies and Notes forming Part of Accounts			
	16		

*For and on behalf of the Board**As per Report of even date attached  
For & on behalf of*

**SIRAJUDDIN QURESHI**  
Chairman & Managing Director

**DR.NASEEM QURESHI**  
Director

**R.K.GOEL**  
Chief Financial Officer

**M .K. AGGARWAL & CO**  
Chartered Accountants

**D.GUHA**  
Dy. General Manager (I.A.)  
(Finance & Accounts)

**MOHD.ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)

**SAMAR BHATIA**  
Company Secretary

**(ATUL AGGARWAL)**  
Partner  
(Membership No.99374)

PLACE : NEW DELHI  
DATE : 30/08/2008

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2008**

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<b>SCHEDULE "1"-SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
1,60,00,000( Previous year 1,60,00,000) Equity Shares of Rs. 10/- each	<b>160,000,000</b>	160,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP:</b>		
8636240 (Previous year-8636240) Equity Shares of Rs. 10/- each fully paid up.	<b>86,362,400</b>	86,362,400
Out of above		
i) 990 (Previous Year 990) Equity Shares are allotted as fully paid pursuant to a contract without payment received in cash.		
ii) 1070000 (Previous Year 1070000) Equity Shares of Rs. 10/- each fully paid have been allotted as Bonus Shares by capitalisation of General Reserve.		
Add: Share Forfeited 1286820 Shares on which Rs.3228800/- paid up (Previous Year - Rs.3228800/-)	<b>3,228,800</b>	3,228,800
<b>TOTAL</b>	<b>89,591,200</b>	89,591,200
<b>SCHEDULE "2" - RESERVES AND SURPLUS</b>		
<b>REVALUATION RESERVES</b>		
Balance as per last Balance Sheet	<b>1,670,765</b>	1,699,571
Less: Amortization of land	<b>(28,806)</b>	(28,806)
	<b>1,641,959</b>	1,670,765
<b>SECURITIES PREMIUM ACCOUNT</b>		
	<b>74,272,496</b>	74,272,496
<b>CAPITAL RESERVE</b>		
	<b>3,228,800</b>	3,228,800
<b>GENERAL RESERVE</b>		
Balance as per last Balance Sheet	<b>418,117,714</b>	379,511,527
Add: Transferred from Profit & Loss A/C	<b>3,735,783</b>	38,606,187
	<b>421,853,497</b>	418,117,714
<b>TOTAL</b>	<b>500,996,752</b>	497,289,775

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2008**

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<b>SCHEDULE '3'-SECURED LOANS</b>		
<b>From the Industrial Finance Corporation of India Ltd. (IFCI)</b>		
IFCI Loan - 12.50%	126,500,000	149,500,000
IFCI Loan - (Interest Free)	25,410,000	30,030,000
<p>(Secured by first charge by way of hypothecation of all the movable properties ( save and except book debts ) including movable machinery, machinery spares, tools and accessories present and future subject to prior charges created and /or to be created in favour of the borrower's bankers on stock of raw - materials, semi finished and finished goods, consumable stores, book debts and such other movables used in the ordinary course of business).</p>		
Liability under IFCI Restructuring Account* ( Refer Note No.3.9)	35,094,557	41,475,385
From Bank of India Corporate Loan (Secured against Property at A-1, Phase-1, Okhla Industrial Area, New Delhi, Personal Guarantee of Mr. Sirajuddin Qureshi, Mrs. Kiran Qureshi, Mr. Samar Qureshi, Dr. Naseem Qureshi and Corporate Guarantee of M/s. Islamuddin & Co.)	142,000,000	—
From Scheduled Banks (Secured against Stocks, Book Debts and Personal Guarantee of the Promoter Directors and second charge on the entire fixed assets present & future of the company.)	216,563,597	168,926,944
<b>DEFERRED PAYMENT CREDIT</b>	<b>8,880,661</b>	<b>7,740,463</b>
Against purchase of vehicles secured by Hypothecation of vehicles, D.G Set. Repayable with in one year Rs.5163200/= ( Previous year Rs.4096368/-)		
<b>TOTAL</b>	<b>554,448,815</b>	<b>397,672,792</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH- 31, 2008  
SCHEDULE "4" - FIXED ASSETS**

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at April 01, 2007	Additions during the Year	Deductions/ adjustments during the year	Total As at March 31, 2008	As at April 01, 2007	Depreciation for the year	Deduction/ adjustment during the year	Total As at March 31, 2008	As at March 31, 2008	As at March 31, 2007
LEASEHOLD LAND	3,105,460	0	0	3,105,460	703,904	41,406	0	745,310	2,360,150	2,401,556
FACTORY BUILDING	63,200,039	382,675	0	63,582,714	24,230,170	2,114,103	0	26,344,273	37,238,441	38,969,869
PLANT & MACHINERY	452,139,840	4,300,984	0	456,440,824	156,405,755	21,633,597	0	178,039,352	278,401,472	295,734,085
FURNITURE & FIXTURE	24,516,067	149,400	0	24,665,467	10,488,432	1,549,960	0	12,038,392	12,627,075	14,027,635
OFFICE EQUIPMENT	3,316,977	99,812	0	3,416,789	1,333,853	145,246	0	1,479,099	1,937,690	1,983,124
VEHICLE	14,870,775	239,558	(4,215,213)	10,895,120	9,608,316	960,980	(3,696,731)	6,872,565	4,022,554	5,262,459
TRUCKS	2,262,990	370,000	0	2,632,990	185,364	295,384	35,317	516,064	2,116,926	2,077,626
COMPUTERS	603,404	37,280	0	640,684	505,809	29,695	0	535,504	105,180	97,595
ELECTRICAL EQUIPMENTS	17,995	0	0	17,995	17,995	0	0	17,995	0	0
<b>TOTAL</b>	564,033,547	5,579,709	(4,215,213)	565,398,043	203,479,598	26,770,370	(3,661,415)	226,588,554	338,809,489	360,553,949
PREVIOUS YEAR	545,507,928	18,525,619	0	564,033,547	177,321,926	26,157,672	0	203,479,598	360,553,949	368,186,002

Depreciation for the year includes amortization of land of Rs. 41406.00 of which Rs. 28806.00 is transferred from Revaluation Reserve and Rs. 12600.00 is debited to Profit & Loss Account.



**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2008**

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<b>SCHEDULE "5"- INVESTMENTS (AT COST)</b>		
<b>A) EQUITY SHARES, UNQUOTED</b>		
1,87,50,000 Equity Shares of Rs. 10/-each fully paid up of Hind Agro Industries Limited Subsidiary company under same management (Previous Year 1,87,50,000 Equity Shares of Rs. 10/- each fully paid up)	187,500,000	187,500,000
<b>TOTAL</b>	<u>187,500,000</u>	<u>187,500,000</u>
<b>SCHEDULE "6" - CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. CURRENT ASSETS</b>		
<b>1. INVENTORIES</b> (As valued, taken & certified by the Management)		
Finished goods	192,435,978	174,931,362
Packing Materials and Stores & Spares	<u>821,817</u>	<u>—</u>
	193,257,795	174,931,362
<b>2. SUNDRY DEBTORS</b>		
Over Six Months — Considered Good	38,589,635	60,484,969
Over Six Months — Considered Doubtful	4,000,000	4,000,000
Other Debts — Considered Goods	<u>240,510,508</u>	<u>155,540,244</u>
	283,100,143	220,025,213
Less: Provision For Doubtful Debts	<u>4,000,000</u>	<u>4,000,000</u>
	279,100,143	216,025,213
<b>3. CASH &amp; BANK BALANCES</b>		
Cash in hand	2,671,923	583,498
Balance with the Scheduled Banks in Current Accounts including the FDR	<u>24,547,903</u>	<u>16,597,988</u>
	(A) 499,577,764	408,138,061
<b>B. LOANS AND ADVANCES</b>		
Advances recoverable in cash or in kind or for value to be received, unsecured		
Considered Good	177,814,179	72,818,647
Considered Doubtful	<u>5,600,000</u>	<u>5,600,000</u>
	183,414,179	78,418,647
Less: Provision for Doubtful Advance	<u>(5,600,000)</u>	<u>(5,600,000)</u>
	177,814,179	72,818,647
Other Advances- considered good	3,130,364	4,837,883
Advances to Suppliers	6,169,049	60,452,643
Security Deposits	<u>33,061,443</u>	<u>14,487,423</u>
	(B) 220,175,035	152,596,596
<b>TOTAL</b>	<u>(A +B) 719,752,799</u>	<u>560,734,657</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2008**

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<b>SCHEDULE '7' CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	19,564,540	7,122,180
Other Liabilities	16,487,027	32,738,294
<b>TOTAL</b>	<b>36,051,567</b>	<b>39,860,474</b>
<b>PROVISIONS</b>		
Provision for Staff- Welfare Schemes	13,125,197	9,805,332
Provision for Taxation	14,535,439	12,646,290
<b>TOTAL</b>	<b>63,712,204</b>	<b>62,312,096</b>
<b>SCHEDULE '8' - SALES</b>		
Export Sales	943,324,728	903,722,407
Domestic Sales	44,669,155	5,898,484
<b>TOTAL</b>	<b>987,993,883</b>	<b>909,620,891</b>
<b>SCHEDULE '9' - OTHER INCOME</b>		
Gain in Foreign Exchange Fluctuation	—	1,397,055
Miscellaneous Income	6,392,358	12,105,446
Tax deducted at Source Rs.336627/- (Previous year Rs.220497/-)		
<b>TOTAL</b>	<b>6,392,358</b>	<b>13,502,501</b>
<b>SCHEDULE '10' - INCREASE / (DECREASE) IN CLOSING STOCK</b>		
Closing Stock of Finished goods	192,435,978	174,931,362
Opening Stock of Finished goods	174,931,362	185,690,815
<b>TOTAL</b>	<b>17,504,616</b>	<b>(10,759,453)</b>
<b>SCHEDULE "11" - MANUFACTURING EXPENSES</b>		
Raw Material Consumed	632,459,802	491,858,760
Consumable Stores	3,724,356	2,754,718
Packing Material Consumed	9,740,654	11,325,950
Power & Fuel	42,286,688	48,704,648
Repairs & Maintenance		
Plant & Machinery	7,919,683	7,511,825
Building	1,867,597	2,364,068
Others	751,465	597,215
<b>TOTAL</b>	<b>698,750,245</b>	<b>565,117,184</b>



**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2008**

	For the year Ended 31.03.2008 (Rs.)	For the year Ended 31.03.2007 (Rs.)
<b>SCHEDULE "12" -PAYMENT TO &amp; PROVISION FOR EMPLOYEES</b>		
Salaries , Wages and Other Benefits	31,046,228	28,711,262
Contribution to Provident Fund & Other Funds	1,625,413	1,784,909
<b>TOTAL</b>	<b>32,671,641</b>	<b>30,496,171</b>
<b>SCHEDULE "13" ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	2,205,200	2,225,400
Vehicle Running & Maintenance	1,303,013	4,657,376
Travelling & Conveyance	1,148,269	1,120,615
Rates, Taxes & Subscription	347,529	358,533
Security Service Charges	710,533	642,008
Printing & Stationery	630,166	512,202
Statutory Audit Fee	419,778	374,000
Tax Audit Fee	113,362	101,000
Certification Fee	121,172	60,000
Legal & Professional Expenses	1,802,284	3,062,428
Insurance Expenses	1,942,152	2,684,131
Postage Expenses	260,284	293,809
Telephone Expenses	1,184,133	1,545,153
Misc. Expenses	1,189,833	1,245,337
<b>TOTAL</b>	<b>13,377,708</b>	<b>18,881,992</b>
<b>SCHEDULE "14"- SELLING, DISTRIBUTION &amp; OTHER EXPENSES</b>		
Freight & Forwarding Expenses	173,610,005	168,086,792
Business Promotion Expenses	570,762	1,142,216
<b>TOTAL</b>	<b>174,180,767</b>	<b>169,229,008</b>
<b>SCHEDULE "15"- FINANCIAL EXPENSES</b>		
Bank Interest and Charges	23,435,590	21,966,168
IFCI Interest	19,067,626	21,919,339
<b>TOTAL</b>	<b>42,503,216</b>	<b>43,885,507</b>

**SCHEDULE- 16****Notes forming part of Accounts as at 31st March, 2008****A. SIGNIFICANT ACCOUNTING POLICIES****A.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements are prepared on Historical Cost convention and Accrual Basis, in accordance with applicable Accounting Standards and the relevant disclosure requirements of the Companies Act, 1956.

**A.2 USE OF ESTIMATES**

The preparation of financial statements is in conformity with GAAP which requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balance of the assets and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates includes the useful life of fixed assets, provision for doubtful debt / advances, future obligation in respect of retirement benefit plans etc. Actual results could differ from these estimates.

**A.3 FIXED ASSETS**

- a) Fixed Assets are stated at original cost, less depreciation, except in case of leasehold land which is stated at revalued cost.
- b) Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Borrowing cost related to the acquisition or construction of the qualifying fixed assets for the period upto the completion of their acquisition or construction are included on the book value of the assets.
- c) All costs relating to upgradations / enhancements are generally charged off as revenue expenditure unless they bring significant additional benefits of lasting nature.
- d) Capital work in progress comprises of fixed assets acquired and other incidental cost that are not ready for intended use before the balance sheet date.
- e) Impairments
  - (i) 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 assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

- (ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**A.4 INVESTMENTS**

Long Term investments in equity shares of subsidiary company are stated at cost. Provision for diminution is made if the decline in value is other than temporary in nature.

**A.5 INVENTORIES**

Inventories are stated at lower of cost or net realizable value. The cost of various categories of inventories is arrived at as under : -

- (a) Raw material and packing material is valued at cost on FIFO basis.
- (b) Stores & spares purchased are taken as consumption during the year.
- (c) The realizable costs of inventories of finished goods are arrived at Direct Costing Method, based on FIFO formula.

**A.6 REVENUE RECOGNITION****i) Sales**

Sales of goods are accounted for on C&F basis and are net of discount and sales return.

**ii) Purchases**

Purchases are accounted exclusive of animal's waste and other materials returned to the suppliers as per practice prevailing in the trade.

**iii) Depreciation**

- a) Depreciation is provided under the Straight Line Method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956.
- b) Leasehold land is being amortized over the period of lease.

**A.7 RETIREMENT BENEFITS****a) Gratuity and Leave Encashment**

The liability for Gratuity and Leave Encashment as at the year end is ascertained on the basis of actuarial valuation and accordingly provided for.

**b) Provident Fund**

Eligible employees receive benefit from provident fund, which is defined contribution plan for which both employees and the company make monthly contribution to the provident fund equal to a specified percentage. Retirement benefits in the form of provident fund are charged to profit and loss account of the year when contribution to the fund is due. The company has no further obligations under the provident fund plan beyond its monthly contribution.

**A.8 FOREIGN EXCHANGE TRANSACTIONS**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Exchange differences arising on foreign currency transactions settled during the year are recognised in

the profit and loss account for the year.

All foreign currency denominated monetary assets and liabilities are translated at the exchange rates prevailing on the Balance Sheet date. The resultant exchange differences are recognised in the profit and loss account for the year.

#### A.9 TAXATION

Tax expenses comprises of Current, Deferred and Fringe Benefit Tax.

Current Tax liabilities have been determined as per the tax laws prevailing during the year and accounted for accordingly.

Deferred Tax liabilities and Assets have been accounted for as per AS-22.

#### A.10 CONTINGENT LIABILITIES & PROVISION

In terms of the requirement of Accounting Standard 29 (AS-29) on "Provisions, Contingent Liabilities and Contingent Assets".

- (a) Where as a result of past events, there is a present obligation that probably requires an outflow of resources and reliable estimates can be made of the amount of obligation- an appropriate provision is created and disclosed ;
- (b) Where as a result of past events, there is a possible obligation that may, but probably will not

require an outflow of resources-no provision is recognized but appropriate disclosure made as contingent liability unless the possibility of outflow is remote.

#### B. CONTINGENT LIABILITIES & NOTES

##### B.1 Claims against the Company not acknowledged as Debt:

Rs. Nil Lacs. (Previous Year : NIL)

##### B.2 Guarantees and other Contingencies

(Rs. In lacs)

	Current Year As at 31-03-2008	Previous Year As at 31-03-2007
a) <i>Given to Subsidiary</i>		
For Term Loan	2870.81	3277.25
For Working Capital	3475.00	750.00
b) <i>Given to others</i>	43.18	43.18
<b>B.3 Bills Discounted from Bank</b>	<b>1410.12</b>	<b>951.48</b>
<b>B.4 Income Tax demands under appeal not provided for</b>	<b>296.40</b>	<b>295.16</b>

#### C.1 Segment information for the year ended 31st March, 2008.

##### Information about primary segment.

(Rs.in Lacs)

The Company is in export business of meat products only, and hence, risk and returns are perceived on the basis of Geographical wise sales based on location of the customers.

Country's Name	Segment Revenue	Segment Expenses	Segment Result	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation	Non-Cash Expenditure, other than Depreciation
<b>External Sales</b>								
<b>GULF COUNTRIES</b>	8756.50	7486.33	1270.17	2579.31	—	—	—	—
	*6915.54	5145.50	1770.04	1700.89	—	—	—	—
<b>SOUTH EAST ASIA</b>	676.75	578.58	98.17	193.34	—	—	—	—
	*2121.69	1578.64	543.05	456.00	—	—	—	—
<b>Total</b>	9433.25	8064.91	1368.34	2772.65	—	—	—	—
	*9037.23	6724.14	2313.09	2156.89	—	—	—	—
<b>Unallocable</b>	685.66	1817.69	(1132.03)	—	—	—	267.77	—
	*86.41	1813.25	(1726.84)	—	—	—	261.29	—
<b>Total</b>	10118.91	9882.60	236.31	12779.76	—	—	267.77	—
	*9123.64	8537.39	586.25	11384.65	—	—	261.29	—

\* Figures indicate previous year.

**B. Secondary Segments**

The Company is dealing in one product only and hence no secondary segment reporting is considered necessary.

**C.2 RELATED PARTY DISCLOSURES**

Rs. in lacs

S. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Debit Rs. in lacs	Credit Rs. in lacs	Amount as on 31.03.2008
1	Hind Agro Ind. Ltd.	Subsidiary Co.	Investment In Equity	150.00	—	Dr. 150.00
2	Hind Agro Ind. Ltd.	Subsidiary Co.	Business Transaction	6989.51	5716.81	Dr. 1272.70
3	Islamuddin & Co.	Firms in Which KMP are Interested	Rent	11.79	11.53	Dr. 0.26
4	Al- Mashrique Export Pvt. Ltd.	Firms in Which KMP are Interested	Business Transaction	92.50	92.50	NIL
5	Samar Travels & Cargo Pvt. Ltd.	Firms in Which KMP are Interested	Business Transaction	26.88	13.11	Dr. 13.77
6	Fast Trax Food (P) Ltd.	Firms in Which KMP are Interested	Business Transaction	15.00	14.88	Dr. 0.12
7	Mrs. Kiran Qureshi	Relatives of KMP	Rent	2.50	2.65	Cr. 0.15
8	Hind Air Link (P) Ltd.	Firms in Which KMP are Interested	Business Transaction	0.50	0.50	NIL
9	Aliffa Agro (India) Ltd	Firms in Which KMP are Interested	Business Transaction	285.00	285.00	NIL
10	Eatcco Foods (P) Ltd.	Firms in Which KMP are Interested	Business Transaction	NIL	NIL	NIL
11	Hind Air Services (P) Ltd	Firms in Which KMP are Interested	Business Transaction	0.04	0.04	NIL

Related Party relationship is identified by the company and relied upon by the Auditors.

**C.3 Earning per Share**

(Rs.in lacs)

	Year ending 31.03.2008	Year ending 31.03.2007
Profit After Tax	37.36 Lacs	386.06 Lacs
Weighted No. of Shares	8636240	8636240
Basic / Diluted Earning per Share	0.43	4.47

**C.4 Accounting for Deferred Tax (A.S.-22) on income :**

(Rs.in lacs)

	Year ending 31.03.2008	Year ending 31.03.2007
<b>a) Deferred Tax Assets on account of timing differences:</b>		
(i) Provision for doubtful debts	32.63	32.31
(ii) Provision for Gratuity	40.01	28.52
(iii) Provision for Leave encashment	4.61	2.43
(iv) Carry forward Losses	86.84	286.11
<b>Total</b>	<b>164.08</b>	<b>349.37</b>
<b>b) Deferred Tax Liability on account of timing differences:</b>		
(i) Depreciation on fixed assets	751.90	770.28
<b>Total</b>	<b>751.90</b>	<b>770.28</b>
<b>Net Deferred Tax Liability (b - a)</b>	<b>587.82</b>	<b>420.91</b>

**C.5** The Current Assets, Loans and Advances are realizable at the value stated in the Balance Sheet, in the ordinary course of business.

- C.6** Mr. Sirajuddin Qureshi, Chairman & Managing Director, and Mrs. Kiran Qureshi, Director of the Company have given personal guarantee to Industrial Finance Corporation of India Ltd. for Rs. 1519.10 lacs. Also the loan of Rs. 2000.00 lacs from the Bank of India is secured by Personal Guarantee of Mr. Sirajuddin Qureshi, Mrs Kiran Qureshi, Mr. Samar Qureshi, Dr. Naseem Qureshi and Corporate Guarantee of M/s Islamuddin & Co.
- C.7** Balances under Sundry Debtors, Creditors, Loans and Advances are subject to confirmation and reconciliation and consequent adjustments thereof. The outstanding Debtors which may not be recoverable could not be ascertained at the year end.
- C.8** There exists no indication for the management to conclude that any of its cash generating units are impaired and accordingly no provision for impairment is required to be made in the financial statement.
- C.9** As per re-negotiated terms and conditions with IFCI, during the year company is making regular payment as per revised terms. However, the company is sure to comply with the terms of the re-negotiated terms.
- C.10** A sum of Rs. 296.51 lacs has been capitalized as pre-operative expenditure under the head "High Security Registration Number Plate (HSRNP)". The expenditure is separately shown under WIP as the unit has not yet commenced production.
- C.11** A sum of Rs. 22.62 lacs has been capitalized, being expenditure incurred on Salboni project, being pre-operative in nature and there is no change in the progress of the project being dependant on West Bengal government.
- C.12** The Company has paid a sum of Rs. 50.00 lakhs towards purchase of share of Hind Agro Industries Limited from Uttar Pradesh Pashudhan Udyog Nigam Ltd. (UPPUNL) and balance liability, if any, of Rs. 150.00 lacs is payable in accordance with agreement entered into with the said corporation. However the company has not provided the liability, which is recoverable in the opinion of the management.
- C.13 Research and Development Expenses** :— Rs. 3,735/- (Previous year Rs. 2,084/-).
- C.14** There is no liability pending to Small Scale Industrial Units.
- C.15 Additional information pursuant to the provision of paragraphs 3 & 4 of part IInd of Schedule VI to the Companies Act, 1956 :**

**A. PARTICULARS OF INSTALLED CAPACITY AND ACTUAL PRODUCTION. \***

	ITEMS	QUANTITY (MT) AS AT 31-03-2008	QUANTITY (MT) AS AT 31-03-2007
Licensed Capacity	Fresh & Frozen Meat	25,000.000	25,000.000
Installed Capacity	Fresh & Frozen Meat	25,000.000	25,000.000
Actual Production	Fresh – Sheep	2,920.295	2,662.895
	Buffalo	4,760.557	5,501.042

\* As certified by the management and relied upon by the Auditors being a technical matter.

**B. DETAILS OF PURCHASES, SALES AND CLOSING STOCK FOR THE YEAR ENDED 31ST MARCH, 2008 (Previous year figures are shown in brackets)**

Items	Opening Stock (MT)	Value (Rs)	Production (MT)	Sales (MT)	Value (Rs)	Closing Stock (MT)	Value (Rs)
Sheep	Nil	Nil	2,920.295	2,920.295	54,25,23,595	Nil	Nil
	(Nil)	(Nil)	(2,662.895)	(2,662.895)	(47,47,28,881)	(Nil)	(Nil)
Buffalo	2,606.040	17,49,31,362	4,760.557	4,837.648	40,84,69,204	2,528.949	19,19,20,714
	(3,109.878)	(18,56,90,815)	(5,501.042)	(6,004.880)	(42,89,93,526)	(2,606.040)	(17,49,31,362)

(Figures in bracket represent previous year figures)

**C. DETAIL OF RAW MATERIAL CONSUMED**

Items	Year ended 31st March, 2008		Year ended 31st March, 2007	
	Quantity (MT)	Value (Rs)	Quantity (MT)	Value (Rs)
Sheep	2,925.465	33,87,31,585	2,681.148	27,11,89,065
Buffalo	4,784.560	28,80,77,865	5,531.800	21,95,18,763

**D. EXPENDITURE IN FOREIGN CURRENCY** NIL (Previous Year : NIL)

**E. VALUE OF IMPORTS**

	For the year ended 31.03.2008 (Rs)	For the year ended AS AT 31.03.2007 (Rs)
Value of Imports (CIF Value)	Nil	Nil
Expenditure on Traveling	Nil	Nil

**F. EARNING IN FOREIGN CURRENCY**

FOB Value of Export Goods	80,31,51,005	76,85,99,727
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**C.16 PARTICULARS OF MANAGERIAL REMUNERATION ARE AS UNDER :—**

(a) Salaries include remuneration payable to Chairman & Managing Director amounting to Rs. 30,30,000/- (Previous Year – 28,35,968/-)

(b) **Commission Payable as follows :**

Particulars	Amount (in Rs)
Net Profit/ (Loss) as per Profit & Loss A/c	2,36,30,400
Add :	
Depreciation as per Profit & Loss A/c	2,67,76,881
Director's Remuneration	30,30,000
Sitting Fee Paid	—
Commission paid	2,69,297
	5,37,06,578
Less : Depreciation as per Section 350 of the Companies Act, 1956	2,67,76,881
Net Profit /(Loss) available for Director's remuneration	2,69,29,697

Commission Payable Rs. 269,297/-The Commission payable to the Chairman & Managing Director is restricted to Rs. 269,297/- being 1% of the net profit.

**C.17** Previous year's figures have been regrouped and reclassified wherever necessary to the extent possible to make them comparable with those of the current year.

**For and on behalf of the Board**

**As per Report of even date attached  
For & on behalf of**

**SIRAJUDDIN QURESHI**  
Chairman & Managing Director

**DR.NASEEM QURESHI**  
Director

**R.K.GOEL**  
Chief Financial Officer

**M .K. AGGARWAL & CO**  
Chartered Accountants

**D.GUHA**  
Dy. General Manager (I.A.)  
(Finance & Accounts)

**MOHD.ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)

**SAMAR BHATIA**  
Company Secretary

**(ATUL AGGARWAL)**  
Partner  
(Membership No.99374)

PLACE : NEW DELHI  
DATE : 30/08/2008



**INFORMATION PURSUANT TO PART IV OF THE COMPANIES ACT,1956**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.	6667	State Code	55
Date	31032008		

**II. Capital Raised during the year (amount in Thousands)**

Public issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III. Position of Mobilisation and deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	1214264	Total Assets	1214264
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**Sources of Funds**

Paid up Capital	89591	Reserves & Surplus	500997
Secured Loans	554449	Unsecured Loan	10445
Deferred Tax Liability	58782		

**Application of Funds**

Net Fixed Assets	370723	Investment	187500
Net Current Assets	656041	Misc. Expenditure	NIL
Accumulated Losses	NIL		

**IV. Performance of the Company (Amount in Rs. Thousands)**

Turnover	987994	Total Expenditure	988260
Profit/(Loss) Before Tax	23630	Profit/(Loss) After Tax	3736
Earning Per Share in Rs.	0.43	Dividend Rate %	NIL

**V. Generic Names of three Principal Products/ Services of Company**

Item Code No. (I.T.C.Code)	120610
Product Description	FRESH & FROZEN - MEAT

The ITC code of the products are as per publication "Indian Trade Classification" based on Harmonised commodity description and coding system by Ministry of Commerce, Directorate General of Commercial Intelligence and statistics.

**For and on behalf of the Board**

**As per Report of even date attached  
For & on behalf of**

**SIRAJUDDIN QURESHI**  
Chairman & Managing Director

**DR.NASEEM QURESHI**  
Director

**R.K.GOEL**  
Chief Financial Officer

**M .K. AGGARWAL & CO**  
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Dy. General Manager  
(Finance & Accounts)

**SAMAR BHATIA**  
Company Secretary

**(ATUL AGGARWAL)**  
Partner  
(Membership No.99374)

PLACE : NEW DELHI  
DATE : 30/08/2008



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	For the year Ended 31.03.2008 (Rs.)	For the year Ended 31.03.2007 (Rs.)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation as per Profit & Loss Account	235.47	586.25
<b>ADJUSTMENTS FOR</b>		
Depreciation	267.77	261.29
Loss on Sale of fixed assets	1.68	—
Deferred Tax Expenses	—	—
Income Tax for Current Years	(26.77)	(63.86)
Income Tax for Earlier Years	(0.64)	(5.75)
Fringe Benefit Tax	(3.80)	(5.55)
Interest Paid	425.03	438.86
Operating Profit Before Working Capital Changes	<u>898.75</u>	<u>1,382.37</u>
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>		
Sundry Debtors	(630.75)	(57.87)
Inventory	(183.26)	(124.23)
Trade Receivable	(675.78)	(473.74)
Trade Payable	14.00	(231.75)
<b>NET CASH FROM OPERATING ACTIVITIES.....A</b>	<u>(577.05)</u>	<u>743.29</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(78.17)	(237.75)
Proceeds from sale of fixed assets	3.50	—
Investment	—	5.62
<b>NET CASH USED IN INVESTING ACTIVITIES.....B</b>	<u>(74.67)</u>	<u>(232.13)</u>
<b>C) CASH FLOW FROM FINANCE ACTIVITIES</b>		
General Reserve	—	—
Secured Loan	1091.39	—
Unsecured Loan	(390.63)	(33.53)
Proceeds from Borrowings	476.37	12.40
Interest paid	(425.03)	(438.86)
<b>NET CASH USED IN FINANCE ACTIVITIES.....C</b>	<u>752.10</u>	<u>(459.99)</u>
<b>CASH FLOW DURING THE YEAR.....(A+B-C)</b>	<u>100.38</u>	<u>(51.12)</u>
Cash & Cash Equivalents (Opening Balance)	171.81	120.69
Cash & Cash Equivalents (Closing Balance)	<u>272.20</u>	<u>171.81</u>

For and on behalf of the Board

As per Report of even date attached  
For & on behalf ofSIRAJUDDIN QURESHI  
Chairman & Managing DirectorDR.NASEEM QURESHI  
DirectorR.K.GOEL  
Chief Financial OfficerM .K. AGGARWAL & CO  
Chartered AccountantsD.GUHA  
Dy. General Manager (I.A.)  
(Finance & Accounts)MOHD.ALI SHAUKAT  
Dy. General Manager  
(Finance & Accounts)SAMAR BHATIA  
Company Secretary(ATUL AGGARWAL)  
Partner  
(Membership No.99374)PLACE : NEW DELHI  
DATE : 30/08/2008



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO THE SUBSIDIARY COMPANY**

1. Name of subsidiary : HIND AGRO INDUSTRIES LTD.
2. Financial Year of the subsidiary ended on : 31st March, 2008.
3. Shares of the subsidiary held by the Company on the above date :
  - a) Number and face value each fully paid up. : 1,87,50,000 Equity Shares of the face value of Rs.10/-
  - b) Extent of holding : 57%
4. Net aggregate amount of profit/ (losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of the Company.
  - a) Dealt with in the accounts of the company for the year ended 31st March, 2008. : Nil
  - b) Not dealt with in the accounts of the company for the year ended 31st March, 2008. : Rs.1.29 Crores
5. Net aggregate amount of profit/ (losses) for previous financial year of the subsidiary, since it became a subsidiary so far as they concern members of the Company.
  - a) Dealt with in the accounts of the company for the year ended 31st March, 2008. : Nil
  - b) Not dealt with in the accounts of the company for the year ended 31st March, 2008. : Rs.18.44 Crores

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**For and on behalf of the Board**

**SIRAJUDDIN QURESHI**  
Chairman & Managing Director

**DR.NASEEM QURESHI**  
Director

**R.K.GOEL**  
Chief Financial Officer

**D.GUHA**  
Dy. General Manager (I.A.)  
(Finance & Accounts)

**MOHD.ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)

**SAMAR BHATIA**  
Company Secretary

PLACE : NEW DELHI  
DATE : 30/08/2008

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Fourteenth Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2008.

### FINANCIAL HIGHLIGHTS

The Financial Results for the year ended on 31st March, 2008, are given below:

	(Rs. in Lacs)	
<b>PARTICULARS</b>	<b>2007-08</b>	<b>2006-07</b>
Total Sales & Other Income	<b>36311.46</b>	48041.24
Profit before Depreciation, Interest & Tax	<b>2009.63</b>	2970.38
Depreciation	<b>640.07</b>	606.41
Interest	<b>1119.65</b>	1224.83
Profit/(Loss) Before Tax	<b>249.90</b>	1139.14
Profit/(Loss) After Tax	<b>228.59</b>	1076.31
Balance brought forward	<b>3259.52</b>	2183.20
Balance carried to Balance Sheet	<b>3488.12</b>	3259.52

### OPERATIONS

The company achieved 'Sales and Other Income' of Rs. 363.11 Crores during the year 2007-08 as compared to Rs. 480.41 Crores in the previous financial year 2006-07, which is decrease by Rs.117.30 crores. The Net Profit of the company has also decreased to Rs. 2.28 Crores as against the Net Profit of Rs. 10.76 Crores over the same period, showing a decrease of around 78%, which is mainly due to increase in the cost of raw materials and appreciation of Indian Rupees (INR) vis-à-vis US Dollar (USD).

### DIVIDEND

In view of the further growth and expansion of business of your Company, the Board of Directors have taken a view that it will be in the larger interest of the Company to retain and plough back the profits for the purpose of business growth. Hence, no dividend is being recommended for the Financial Year ended on 31st March, 2008.

### PROSPECTS

The Company is making efforts to increase its exports by tapping new as well as in existing international markets. The Company is making regular efforts to upgrade the quality, reduce cost, add value to its products, which is beneficial for the long term growth of the company. The rising value of INR in comparison to the USD is the primary concern for the Company and affects the overall performance of your Company.

Your Company also bagged an award namely EXCELLENT and OUTSTANDING performance in Exports by the U.P. Government for the year 2004-05. The Company is also recognized as "Best EOU (Non SSI Category: Food & Agro

Products Agriculture & Plantation Products)" by Export Promotion Council of EOU & SEZ Units by Ministry of Commerce & Industry, Government of India. It has also obtained the Appreciation as "SECOND BEST Productivity Performance" for the years 2004-05 and 2005-06 by National Productivity Council of India. The Company has been awarded SILVER TROPHY for the outstanding export performance and contribution in Buffalo Meat Sector for the year 2006-07.

Your company is committed to provide the highest quality of products to its customers and continue to maintain its overseas markets share. Efforts are also underway to improve processes and operations to maximize gain and reduce cost. Your company is positive that it would be able to perform well in the coming years too.

### FIXED DEPOSITS

Your Company has not invited/accepted any fixed deposits from Public during the year pursuant to the provisions of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

### DIRECTORS

During the period under review, Mr. Prabhat Gupta, Director was representing The Pradeshia Industrial & Investment Corporation of U.P. Limited (PICUP), ceased to be so consequent to his retirement from PICUP and Mr. Rajeev Sonker was nominated in his place. Mr. Rajeev Sonker's nomination was also withdrawn and Mr. Prabhat Kumar was nominated in lieu thereof. Consent letter from Mr. Prabhat Kumar is still awaited.

The nomination of Mr. M. C. Dhyani, Nominee Director of IFCI, was withdrawn by IFCI and in his place Mr. Pawan Kumar was Nominated as Nominee Director IFCI.

The Board of Directors expresses its gratitude for the professional contributions, able guidance and whole hearted support provided by Mr. M. C. Dhyani and Mr. Prabhat Gupta during their tenure as the Directors of the company.

Dr. S. K. Ranjhan and Mr. R. K. Gupta, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting of the Company.

The Board recommends their re-appointment as Directors in the ensuing Annual General Meeting of the company.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the Annual Accounts for the financial year ended 31st March, 2008, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures;
- the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that were 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 year under review;

- (iii) 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) the Directors have prepared the Accounts for the financial year ended 31st March, 2008, on a going concern basis.

**AUDITORS**

The Statutory Auditors M/s Vipin Aggarwal & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment/re-appointment, if made, would be within the limits under section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such appointment/re-appointment within the meaning of section 226 of the said Act.

The Board recommends their re-appointment at the ensuing Annual General Meeting of the company.

**AUDITOR'S REPORT**

The observations of the Auditors are self explanatory and need no further clarifications.

**PARTICULARS OF EMPLOYEES**

During the Financial Year 2007-08, there was no employee in the company drawing a remuneration in aggregate of Rs. 24,00,000/- or more per annum or employed for part of the year, drawn a remuneration of Rs. 2,00,000/- or more per month, therefore no particulars of employees under section 217 (2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, are required to be given.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The statement pursuant to 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, is given in the Annexure forming part of the Report.

**ACKNOWLEDGMENTS**

The Directors wish to express their gratitude for the all round support, co-operation and encouragements offered by the Central Government, State Government, Financial Institutions and Banks, etc. The Directors are also pleased to have the continued trust and confidence reposed by the Shareholders, Debenture holders, Suppliers, Buyers, Consultants in the company. Your Directors also express their special appreciation for the dedicated and devoted services rendered by the employees at all the levels of the company.

By order of the Board  
For **HIND AGRO INDUSTRIES LIMITED**

Place : New Delhi      **SAMAR QURESHI**      **SIRAJUDDIN QURESHI**  
Date : 27.08.2008      DIRECTOR      MANAGING DIRECTOR

**ANNEXURE TO DIRECTORS' REPORT****INFORMATION IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.****(A) CONSERVATION OF ENERGY****(a) Energy conservation measures taken:**

The Company has adopted the following energy conservation measures:

- A new Rendering Plant of Wet Rendering Technology with lower consumption of electricity and fuel has been commissioned.
- Boilers have been installed with the steam flow meters and automatic blow down heat recovery system to efficiently utilize the steam and conserve energy.
- Power factor control panel incorporating automatic power factor correction relay is being installed.
- Section-wise date monitoring device (Qusar), on main electric panel is being provided to save energy.
- PLC based DG synchronized panel is installed to reduce the fuel consumption and increase the efficiency of the engine.
- Latest two-stage Screw Compressor Technology is incorporated in refrigeration system to reduce the power consumption and operation & maintenance cost.
- Re-insulation of entire old refrigeration system piping with latest PUF type to reduce excessive super heat and power consumption.

**(b) Additional investment and proposal, if any, being implemented for reduction of consumption of energy:**

Proposals for continuous reduction of energy consumption are being undertaken such as:

- Installation of moisture level monitoring device.
- Acquiring high pressure water and air jet cleaning systems.
- Using low cost/alternate fuel for Boilers.
- Utilizing the DG exhaust waste heat recovery system for generation of hot water.
- Conversion of small plate freezer from gravity feed to force feed circulation system to reduce the freezing time and power consumption.
- Planning to set-up dewatering system to handle semi solid waste to make value added product as a manure.
- Commissioning of Biomenthenation plant to produce 500KW electricity.
- Re-Insulation of balance old refrigeration system piping and equipments with latest PUF type to reduce excessive super heat and power consumption.

- Installation of Bio-filter system to reduce the environmental odor.
- Installation of bones chilling room near rendering plant to reduce the de-composition of bones and to improve factory environment yield of rendering plant.

**(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:**

The measures mentioned at point nos. (a) and (b) above have been facilitating the energy conservation and its consequent impact on the cost of production of goods in the following ways:

- Consumption of steam, electricity and fuel is being strictly controlled in Boilers.
- Condensed water is being reused for conserving fuel and water conditioning chemicals.
- Oxygen level in fuel gases is being controlled to economize the fuel burnt.
- Duration of D.G. Sets is being avoided by optimizing power factor.
- Switching over from HSD to FO/other alternative boiler/D.G. fuel to reduce the cost of fuel.
- Switching over to state government electricity to reduce the electricity generation cost as HSD cost is raised by the government frequently.

**(d) Total energy consumption:**

**I. Power and fuel consumption. (Rs. in Lacs)**

PARTICULARS	Current Year	Previous Year
<b>1. Electricity</b>		
(a) Purchased		
Unit	NA	NA
Total amount	NA	NA
Rate/unit	NA	NA
(b) Own generation		
(i) Through diesel generator		
Units	13614289	15026601
Units per ltr. of diesel oil	3.56	3.52
Cost/unit	Rs.6.59	Rs.6.88
(ii) Through steam turbine/generator		
Units	NA	NA
Units per ltr. of fuel oil/gas	NA	NA
Cost/unit	NA	NA
<b>2. Coal (specify quality and where used)</b>		
Quantity (tonnes)	NA	NA
Total Cost	NA	NA
Average rate	NA	NA
<b>3. Furnace oil</b>		
Quantity (k. ltrs)	1604379	1614607
Total amount	28087777	23505218
Average rate	17.51	14.56

**4. Others/internal generation**

Quantity	NA	NA
Total Cost	NA	NA
Rate/Unit	NA	NA

**II. Consumption per unit of production.**

	Standards (if any)	Current Year	Previous Year
Products (with details) unit	No Standards as such have been prescribed but the company is making continuous efforts for minimizing the consumption of energy per unit of production.		
-Electricity		0.33	0.25
-Furnace oil		N.A.	N.A.
-Coal (specify quality)		N.A.	N.A.
-Others (specify)		N.A.	N.A.

**(B) TECHNOLOGY ABSORPTION:**

**(e) Efforts made in technology absorption:**

**1. Research and Development (R & D).**

**a) Specific areas in which R & D carried out by the Company:**

- R & D laboratory is being continuously maintained and improved for producing and exporting better quality of meat products.
- Animal husbandry and health care facilities are being continuously provided to the farmers in nearby villages for eliminating the occurrence of disease, reducing the mortality rate, boosting the milk production, which ensure the availability of timely and better quality of raw material for the company.

**b) Benefits derived as a result of the above R & D:**

- As a result of the above measures, the mortality rate, health, productive life, milk production and quality of meat from the animals are being continuously improved.

**c) Future plan of action:**

- Efforts shall be made on an ongoing basis in R & D for continuously upgrading the health and hygiene of the animals for obtaining regular supply of best raw material for the Company.

**d) Expenditure on R & D:**

	Current Year	Previous Year
i) Capital	NIL	NIL
ii) Recurring	Rs. 16.51 Lacs	Rs. 22.37Lacs
iii) Total	Rs. 16.51 Lacs	Rs. 22.37Lacs
iv) Total R & D expenditure as a percentage of total turnover	0.05%	0.05%

**2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.**
**a) Efforts, in brief, made towards technology absorption, adaptation and innovation.**

- A High Rate Bio-Methanation Plant with Japanese Collaboration is being installed to further control the pollution and introduce the waste-to-energy generation program under the auspices of Ministry of Non-Conventional Energy Sources (MNES)-Government of India and Central Leather Research Institute (CLRI).
- A new high capacity Rendering Plant with the latest Danish technology and collaboration has been commissioned.
- The Refrigeration System is also being upgraded and augmented by adopting the latest German Technology.

**b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.**

- The energy consumption and cost of generation of power shall be further reduced.
- The quality and quantity of the by-products shall be optimised.

**c). In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:**

- i) Technology imported
  - Wet Rendering Technology imported from Denmark.
  - Two-stage screw compressor Technology from Germany.

- ii) Year of import
  - 2003-04
  - 2005-06
  - 2006-07
  - 2007-08

- iii) Has technology been fully absorbed? Yes.

- iv) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. Not Applicable

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans:

**Total Foreign Exchange earned and used :**

(Rs. in Lacs)		
	Current Year	Previous Year
i) Total Foreign Exchange earned (FOB Value)	30268.01	39574.93
ii) Total Foreign Exchange used	102.38	565.31

By order of the Board  
For **HIND AGRO INDUSTRIES LIMITED**

Place : New Delhi      **SAMAR QURESHI    SIRAJUDDIN QURESHI**  
Date : 27.08.2008      DIRECTOR    MANAGING DIRECTOR

**AUDITORS' REPORT**

To  
**THE MEMBERS OF  
HIND AGRO INDUSTRIES LTD.**

1. We have audited the attached Balance Sheet of M/s HIND AGRO INDUSTRIES LIMITED as at 31<sup>st</sup> March, 2008 and the Profit & Loss Account and also the Cash Flow Statement of the company 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 mis-statements. 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 estimate made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matter specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that :
  - (a) 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;
  - (b) in our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books;
  - (c) the Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts ;
  - (d) in our opinion, the Balance Sheet and Profit and Loss Account and the 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;
  - (e) on the basis of the written representations received from Directors, as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on March 31, 2008 from being appointed as a Director, in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (f) 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, 2008; and
- b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For and on behalf of  
**VIPIN AGGARWAL & ASSOCIATES.**  
Chartered Accountants

**(VIPIN AGGARWAL)**

Place : New Delhi  
Date : 27.08.2008

Partner  
Membership No. 016544

**ANNEXURE REFERRED TO IN PARAGRAPH [3] OF OUR REPORT OF EVEN DATE**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As informed to us, most of the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification as per explanation and information given to us.
  - (c) In our opinion, there was no substantial disposal of fixed assets during the year, which affects the going concern status of the company.
- (ii) (a) As explained to us, the management has conducted physical verification of inventory at reasonable intervals.
  - (b) The procedures of physical verification of inventory followed by management are, in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion, the Company is maintaining proper records of inventory and as explained to us there were no material discrepancies noticed on such physical verification.
- (iii) (a) As informed to us, the company has granted interest free advances to companies covered in the register maintained under section 301 of the Companies Act, 1956 and total amount standing is Rs. 253.28 lacs from eight companies.

Subject to above comments of not charging interest

on the said advance, the terms and conditions as regard thereto are not prima-facie prejudicial to the interest of the company.

- (b) As informed to us, the company has taken interest free unsecured loan amounting to Rs. 150 lacs from its holding company, in addition to Rs. 1299.58 lacs due to parties including holding company covered under section 301 of the Companies Act, 1956. In our opinion, the terms & conditions as regard thereto are not prima-facie prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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. During the course of our audit, no major weakness has been noticed in the internal controls in these areas.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions required to be entered in the register maintained under Section 301 of the Act have been duly recorded.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.
- (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 the 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) According to the information and explanations given to us, no undisputed statutory dues in respect of Provident Fund, Employee State Insurance, Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding, at the year end for a period of more than six months from the date they became payable except Cess under section 441A of the Companies Act 1956, which is not being deposited / provided as the notification required under the provision of the Act has not yet been issued by the Central Government.
- (b) According to the information and explanations given to us, no disputed statutory dues were outstanding.
- (x) The Company does not have accumulated losses at the end of the financial year March 31, 2008. The company has not incurred any cash losses during the

financial year ended March 31, 2008 and in previous year.

- (xi) Based on our audit procedures and according to the information and explanations given by the management, the company has not defaulted in repayment of dues to financial institutions after the re-schedulement of term loan during the year.
- (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 and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and Nidhi / mutual benefit fund/societies.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others.
- (xvi) Based on the information and explanations given to us by management, term loans were applied for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us, and on 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 by the Company and vice-versa.
- (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) During the year, since the company has not issued any debentures, paragraph 4 ( xix ) of the order is not applicable.
- (xx) The Company has not raised any money through a public issue during the year. Hence paragraph 4 ( xx ) of the order is not applicable.
- (xxi) Based upon the audit procedures performed and 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 and on behalf of  
**VIPIN AGGARWAL & ASSOCIATES.**  
Chartered Accountants

**(VIPIN AGGARWAL)**

Place : New Delhi  
Date : 27.08.2008

Partner  
Membership No. 016544



# HIND AGRO INDUSTRIES LIMITED

## BALANCE SHEET AS AT MARCH 31ST, 2008

PARTICULARS	Schedules	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<b>I. SOURCES OF FUNDS</b>			
<b>1 Shareholder's Funds</b>			
a) Share Capital	1	331,500,700	331,500,700
b) Reserves & Surplus	2	348,811,158	325,952,047
<b>2 Loan Funds</b>			
a) Secured	3	1,437,719,163	1,279,449,064
b) Unsecured	4	15,000,000	15,000,000
<b>3 Deferred Tax Liabilities</b>			
		11,165,000	11,165,000
<b>TOTAL</b>		<b>2,144,196,021</b>	<b>1,963,066,811</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>			
a) Gross Block	5	1,378,473,020	1,355,921,975
b) Less : Depreciation		518,705,761	456,530,637
c) Net Block		859,767,259	899,391,338
d) Capital Work In Progress		32,223,730	35,568,804
		891,990,989	934,960,142
<b>2 Current Assets, Loans &amp; Advances</b>			
a) Inventories	6	554,431,693	497,299,085
b) Sundry Debtors	7	553,473,737	491,365,550
c) Cash and Bank Balances	8	88,907,256	54,640,785
d) Loans and Advances	9	389,704,680	308,261,058
		1,586,517,366	1,351,566,478
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	10	318,636,403	309,555,169
Provisions	11	15,675,932	13,904,640
		334,312,335	323,459,809
<b>Net Current Assets</b>		<b>1,252,205,032</b>	<b>1,028,106,669</b>
<b>3 Miscellaneous Expenditure</b>			
(To the extent not written off or adjusted)	12	—	—
<b>TOTAL</b>		<b>2,144,196,021</b>	<b>1,963,066,811</b>
Significant Accounting Policies and Notes forming Part of Accounts	21		

For and on behalf of the Board

As per Report of even date attached

**SIRAJUDDIN QURESHI**  
Managing Director

**SAMAR QURESHI**  
Director

**R.K.GOEL**  
Chief Financial Officer  
& Company Secretary

**FOR VIPIN AGGARWAL & ASSOCIATES**  
Chartered Accountants

**D.GUHA**  
Dy. General Manager (I.A.)  
(Finance & Accounts)

**MOHD.ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)

**(VIPIN AGGARWAL)**  
Partner  
(Membership No.16544)

PLACE : NEW DELHI  
DATE : 27.08.2008



**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31ST, 2008**

PARTICULARS	Schedules	For the year Ended 31.03.2008 (Rs.)	For the year Ended 31.03.2007 (Rs.)
<b>INCOME</b>			
Sales	13	3,596,712,392	4,732,006,371
Other Income	14	34,434,009	72,117,623
Increase/(Decrease) in Stocks	15	66,716,202	69,283,441
		<u>3,697,862,602</u>	<u>4,873,407,435</u>
<b>EXPENDITURE</b>			
Materials Consumed & Manufacturing Expenses	16	3,091,898,691	3,898,303,445
Employees Remuneration & Benefits	17	22,270,321	22,300,044
Administrative & Other Expenses	18	37,146,742	53,457,435
Marketing Expenses	19	345,584,055	598,166,660
Financial Expenses	20	111,965,312	122,483,427
Bad Debts written off		—	4,141,079
Depreciation	5	64,007,603	60,641,150
		<u>3,672,872,724</u>	<u>4,759,493,239</u>
<b>TOTAL</b>		<b>3,672,872,724</b>	<b>4,759,493,239</b>
<b>PROFIT / (-) LOSS BEFORE TAXATION</b>		<b>24,989,878</b>	<b>113,914,196</b>
Prior Period Income		—	421,120
Prior Period Expenses		414,254	106,214
Fringe Benefit Tax		1,704,336	2,229,148
Fringe Benefit Tax 2005-2006		—	1,582,968
Income Tax Demand (AY 2005-2006)		—	2,691,155
Provision for Taxation		—	—
Provision for Wealth Tax		12,177	93,906
		<u>22,859,111</u>	<u>107,631,925</u>
<b>PROFIT / (-) LOSS AFTER TAX</b>		<b>22,859,111</b>	<b>107,631,925</b>
Balance brought forward		325,952,047	218,320,122
		<u>348,811,158</u>	<u>325,952,047</u>
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>348,811,158</b>	<b>325,952,047</b>
<b>Surplus Carried to Balance Sheet</b>		<b>348,811,158</b>	<b>325,952,047</b>
Earning per Share		<b>0.69</b>	<b>3.25</b>
Significant Accounting Policies and Notes forming Part of Accounts	21		

*For and on behalf of the Board**As per Report of even date attached*

**SIRAJUDDIN QURESHI**  
Managing Director

**SAMAR QURESHI**  
Director

**R.K.GOEL**  
Chief Financial Officer  
& Company Secretary

**FOR VIPIN AGGARWAL & ASSOCIATES**  
Chartered Accountants

**D.GUHA**  
Dy. General Manager (I.A.)  
(Finance & Accounts)

**MOHD.ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)

**(VIPIN AGGARWAL)**  
Partner  
(Membership No.16544)

PLACE : NEW DELHI  
DATE : 27.08.2008

**SCHEDULES 1 TO 21 - FORMING INTEGRAL PART OF THE ACCOUNTS**

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<b>SCHEDULE '1' - SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
4,60,00,000 (Previous year 4,60,00,000) Equity Shares of Rs.10 each	<u>460,000,000</u>	<u>460,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID - UP</b>		
33150070 (Previous year 33150070) Equity Shares of Rs. 10 each fully paid up	<b>331,500,700</b>	331,500,700
Out of the above:		
1. 2000000 (Previous year 2000000) Equity Shares allotted as fully paid up pursuant to a contract without payment being received in cash.		
2. 18750000(Previous year 18750000) Equity Shares are held by the holding Company - Hind Industries Limited.		
<b>TOTAL</b>	<u><b>331,500,700</b></u>	<u>331,500,700</u>
<b>SCHEDULE - '2' - RESERVES &amp; SURPLUS</b>		
Surplus, being balance in Profit & Loss Account	<u>348,811,158</u>	325,952,047
<b>TOTAL</b>	<u><b>348,811,158</b></u>	<u>325,952,047</u>
<b>SCHEDULE - '3' - SECURED LOANS</b>		
<b>A-1 Non- Convertible Debentures</b>		
2105000 (Previous Year - 2105000)	<b>210,500,000</b>	210,500,000
Secured Non Convertible Debentures of Rs. 100/- each fully paid up		
1. 1175,000 Secured, Non Convertible Debentures (NCD's) of the face value of Rs.100/- each fully paid for cash at par, aggregating to Rs.11.75 crores (Previous Year - Rs.11.75 crores) carrying an interest at the rate of PLR + 3.5% per annum, redeemable at par in twelve equal quarterly installments commencing from April 15, 2005 and ending on April 15, 2008 as sanctioned, have been allotted to IFCI Ltd.		
2. The NCD's as mentioned above have been secured by mortgage of entire land (i.e. at Aligarh (UP) and at Mehsana (Gujarat) of the company together with building constructed or to be constructed thereon and first charge on all the assets of the company both present and future in favour of FI's ranking pari passu subject to prior charges on specific movables created in favour of the company's bankers for securing working capital facilities. The said NCD's are also secured by way of irrevocable and unconditional guarantee of the holding company i.e. Hind Industries Ltd. (HIL) for Rs.21.05 Crores which includes pledging its 51% share-holdings in the company (HAIL) for Rs.11.75 Crores and also to the extent of Personal Guarantees of Mr. Sirajuddin Qureshi for Rs.21.05 Crores and Mrs. Kiran Qureshi for Rs.9.30 Crores.		
Interest accrued & due	<b>88,716,778</b>	88,716,778

**SCHEDULES 1 TO 21 - FORMING INTEGRAL PART OF THE ACCOUNTS**

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<b>A-2 TERM LOANS FROM FINANCIAL INSTITUTIONS</b>	<b>344,521,319</b>	344,521,319
Interest accrued and due	<b>87,294,703</b>	87,294,703
(Secured by mortgage of land together with building constructed or to be constructed thereon and first charge on all the assets of the company both present and future in favour of FI's ranking pari passu subject to prior charges on specific movables created in favour of the Company's Bankers for securing working capital facilities. The loan is also secured by way of irrevocable and unconditional corporate guarantee of the holding company i.e. Hind Industries Limited).		
	<b>731,032,800</b>	731032,800
<b>LESS: -</b>		
Amount waived under IFCI Restructuring Account	<b>158,507,931</b>	158507,931
Amount waived under IDBI Restructuring Account	<b>108,824,869</b>	108824,869
	<b>463,700,000</b>	463700,000
<b>LESS: -</b>		
Paid to IFCI upto 31.03.08	<b>98,380,000</b>	75,100,000
Paid to IDBI upto 31.03.08	<b>94,000,000</b>	69,550,000
IFCI Negotiated Term Loan	<b>151,320,000</b>	174,600,000
IDBI Negotiated Term Loan	<b>120,000,000</b>	144,450,000
IDBI Funded (interest) Loan	<b>12,848,000</b>	—
Interest accrued & Due IDBI	<b>2,912,745</b>	8,674,915
Liability under IFCI Restructuring Account	<b>103,030,152</b>	118,880,946
Liability under IDBI Restructuring Account	<b>33,484,576</b>	36,274,957
(The negotiated settlement have been made by the FI's, the classification and quantification resettled amount into NCD and Term Loan is yet to be informed by FI's, hence NCD & Term Loan are stated at their original amount and adjustment has been made therein for waived amount and payment made to them. However as far as securities against the above amounts are concerned they will continue to remain the same as mentioned above).		
<b>B. Working Capital Loans from Banks</b>	<b>997,587,600</b>	789,683,530
(Secured against hypothecation of stocks & book debts and second charge on fixed assets alongwith personal guarantees of two directors and partly by the corporate guarantee of Hind Industries Limited )		
<b>C. Deferred payments credit against purchase of vehicles</b>	<b>16,536,090</b>	6,884,716
(Secured against hypothecation of vehicles - repayable within one year Rs.9048144 ) (Previous Year Rs. 3239400)		
<b>TOTAL</b>	<b>1,437,719,163</b>	1279,449,064
<b>SCHEDULE - '4' - UNSECURED LOANS</b>		
From Holding Company	<b>15,000,000</b>	15,000,000
<b>TOTAL</b>	<b>15,000,000</b>	15,000,000

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH-31, 2008  
SCHEDULE "5" - FIXED ASSETS**

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As at April 01, 2007	Additions during the Year	Sales during the year	Adjustments	Total As At 31.03.2008	Upto 31.03.2007	For the year	Adjustment	Upto 31.03.2008	As At 31.03.2008	As At 31.03.2007
LAND (Freehold)	23,393,455	0	0	0	23,393,455	0	0	0	0	23,393,455	23,393,455
BUILDINGS	208,705,081	1,336,123	0	0	210,041,204	52,146,041	7,015,376	0	59,161,417	150,879,787	156,559,040
PLANT & MACHINERY	1,076,417,589	19,669,605	5,909,004	0	1,090,178,190	384,023,961	51,710,347	-1,779,420	433,954,888	656,223,302	692,393,628
VEHICLES	22,152,948	0	0	0	22,152,948	8,484,793	2,060,495		10,545,289	11,607,659	13,668,155
TRUCKS	5,450,995	5,798,539	0		11,249,534	2,928,821	1,016,951	539,243	4,485,015	6,764,519	2,522,174
FURNITURE & FIXTURES	5,194,169	288,037	0		5,482,206	2,434,809	321,413		2,756,222	2,725,984	2,759,360
COMPUTERS	7,526,815	1,126,249	0	0	8,653,064	4,483,246	965,356	0	5,448,602	3,204,462	3,043,569
OFFICE EQUIPMENTS	7,080,923	241,495	0		7,322,418	2,028,966	325,362		2,354,328	4,968,090	5,051,957
<b>TOTAL</b>	1,355,921,975	28,460,048	5,909,004	0	1,378,473,019	456,530,637	63,415,300	-1,240,177	518,705,761	859,767,258	899,391,338
PREVIOUS YEAR	1,330,182,933	61,892,890	36,153,848	0	1,355,921,975	404,995,982	60,641,150	-9,106,495	456,530,637	899,391,338	925,186,951

**SCHEDULES 1 TO 21 - FORMING INTEGRAL PART OF THE ACCOUNTS**

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<b>SCHEDULE - '6' - INVENTORIES</b>		
(As valued and certified by the Management)		
Semi Finished Goods	9,190,000	2,216,500
Finished Goods	530,353,155	470,610,453
Stores & Spares	14,888,538	24,472,132
<b>TOTAL</b>	<b>554,431,693</b>	<b>497,299,085</b>
<b>SCHEDULE - '7' - SUNDRY DEBTORS</b>		
Over six months - Considered good	15,334,196	10,927,204
Other Debts	538,139,541	480,438,346
<b>TOTAL</b>	<b>553,473,737</b>	<b>491,365,550</b>
<b>SCHEDULE - '8' - CASH AND BANK BALANCES</b>		
Cash in hand	3,851,475	1,765,539
Balance with Scheduled Banks:		
i) in Current Account	5,770,438	3,456,954
ii) in F.D.R. (Including interest accrued on FDR)	79,285,343	49,418,292
<b>TOTAL</b>	<b>88,907,256</b>	<b>54,640,785</b>
<b>SCHEDULE - '9' - LOANS &amp; ADVANCES</b>		
(Unsecured - Considered Good)		
Advances recoverable in cash or in kind or for value to be received (includes advance to Holding Company Rs. Nil maximum amount during the year Rs. Nil ), Previous Year advance Rs. Nil maximum amount Rs.155303765/-	377,938,242	284,369,883
Balance with Excise Authorities	7,627,738	20,979,388
Advance Tax (AY 2006-2007)	500,000	500,000
Tax Deducted at Source	3,638,700	2,411,787
<b>TOTAL</b>	<b>389,704,680</b>	<b>308,261,058</b>
<b>SCHEDULE - '10' - CURRENT LIABILITIES</b>		
Sundry Creditors	108,553,983	195,987,205
Other Liabilities	209,510,944	112,955,668
Interest accrued but not due	571,476	612,296
<b>TOTAL</b>	<b>318,636,403</b>	<b>309,555,169</b>

**SCHEDULES 1 TO 21 - FORMING INTEGRAL PART OF THE ACCOUNTS**

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<b>SCHEDULE - '11' - PROVISIONS</b>		
Provision for Taxation	1,078,888	1,160,617
Provision for Staff Benefits Scheme	14,597,044	12,744,023
<b>TOTAL</b>	<b>15,675,932</b>	<b>13,904,640</b>
<b>SCHEDULE - '12' - MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary & Issue Expenses	—	1,076,316
Written off during the year	—	-1,076,316
<b>TOTAL</b>	<b>—</b>	<b>—</b>
<b>SCHEDULE - "13" - SALES</b>		
Export Sales	3,181,328,027	4,271,616,846
Sale of Waste & By-Products	415,384,365	460,389,525
<b>TOTAL</b>	<b>3,596,712,392</b>	<b>4,732,006,371</b>
<b>SCHEDULE - "14" - OTHER INCOME</b>		
Provision for Doubtful Debts written back	—	4,141,079
Misc. Income	15,792,834	—
IDBI Liability written back	2,790,381	36,274,956
IFCI Liability written back	15,850,794	31,701,588
<b>TOTAL</b>	<b>34,434,009</b>	<b>72,117,623</b>
<b>SCHEDULE - "15" - INCREASE/(DECREASE) IN STOCKS</b>		
Closing Stock	539,543,155	472,826,953
Opening Stock	-472,826,953	-403,543,512
<b>TOTAL</b>	<b>66,716,202</b>	<b>69,283,441</b>

**SCHEDULES 1 TO 21 - FORMING INTEGRAL PART OF THE ACCOUNTS**

	For the year Ended 31.03.2008 (Rs.)	For the year Ended 31.03.2007 (Rs.)
<b>SCHEDULE - "16"- MATERIALS CONSUMED &amp; MANUFACTURING EXPENSES</b>		
Raw Material Consumed	2,833,811,346	3,564,041,062
Power and Fuel	119,839,530	136,475,997
D.G. Hiring Charges	2,665,423	2,395,992
Packing Material Consumed	66,614,755	103,256,314
Wages	19,704,736	19,613,707
Labour Welfare Expenses	2,099,756	2,119,105
Consumable Stores Consumed	15,211,038	28,831,375
Repairs & Maintenance:-		
— Plant & Machinery	16,808,137	21,791,340
— Building	754,994	2,011,717
Insurance	1,268,815	1,983,308
Inward Freights/Cartage	721,665	1,154,529
Inspection Charges	3,213,440	7,738,520
Truck Running & Maintenance	3,129,266	—
Security Charges	1,693,827	2,078,825
Horticulture Expenses	720,332	859,131
Research & Development Exps.	1,651,636	2,237,626
Cess Water & UPCCB	150,616	25,482
Others	1,839,378	1,689,414
<b>TOTAL</b>	<b>3,091,898,691</b>	<b>3,898,303,445</b>

**SCHEDULE - "17" - EMPLOYEES REMUNERATION & BENEFITS**

Salaries & Other Benefits	20,442,329	20,480,948
Contribution to Provident Fund	1,827,992	1,819,096
<b>TOTAL</b>	<b>22,270,321</b>	<b>22,300,044</b>

**SCHEDULES 1 TO 21 - FORMING INTEGRAL PART OF THE ACCOUNTS**

	For the year Ended 31.03.2008 (Rs.)	For the year Ended 31.03.2007 (Rs.)
<b>SCHEDULE - "18" - ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	4,384,560	3,580,586
Vehicle Expenses	2,476,283	3,670,487
Conveyance & Travelling (Including Directors' Travelling of Rs.3260524) (Previous Year Rs.6750365)	7,663,792	11,417,998
Rates, Taxes Subscription and Fees	739,743	1,038,464
Electricity & Water Expenses	1,223,387	1,826,905
Security Service Charges	455,682	294,331
Printing & Stationery	1,919,514	2,314,333
Audit Fee	584,272	584,272
Legal & Professional Charges (Including paid to Directors' Rs.264000) (Previous Year Rs. 261750)	4,322,466	3,545,547
Repair & Maintenance Office	3,999,502	3,852,756
Loss on Sale of Fixed Assets	2,709,808	12,844,081
Insurance	3,485,635	3,634,463
Telephone , Postage & Telegram	2,577,426	3,544,277
Preliminary/Issue Exp. w/off	—	1,076,316
Misc. Expenses	604,672	232,619
<b>TOTAL</b>	<b>37,146,742</b>	<b>53,457,435</b>
<b>SCHEDULE - "19" - MARKETING EXPENSES</b>		
Freight, Clearing & Forwarding Charges	327,327,596	558,514,210
Business Promotion Expenses	12,294,212	13,938,976
Commission	5,962,247	25,713,474
<b>TOTAL</b>	<b>345,584,055</b>	<b>598,166,660</b>
<b>SCHEDULE - "20" - FINANCIAL EXPENSES</b>		
Interest on Term Loans	25,957,036	28,900,268
Interest on Working Capital, other Bank Interest & Charges	86,008,276	93,583,159
<b>TOTAL</b>	<b>111,965,312</b>	<b>122,483,427</b>



**SCHEDULE – ‘21’ - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:****COMPANY OVERVIEW**

Hind Agro Industries Ltd. is a 100% Export Oriented Unit and engaged in processing of frozen and fresh meat.

**(A) SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of Financial Statements :**

The accompanying financial statements are prepared in accordance with generally accepted accounting policies (“GAAP”) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards issued by The Institute of The Chartered Accountants of India (“ICAI”) and the provision of the Companies Act 1956. These accounting policies have been consistently applied by the company.

**2. Fixed Assets and capital work in progress :**

Fixed assets are stated at cost less accumulated depreciation. Cost includes excise duties, freight & other incidental expenses incurred in relation to acquisition and installation of the same. Direct costs including interest are capitalized until fixed assets are ready for use.

Capital work in progress comprises of fixed assets acquired and other incidental cost that are not ready for intended use before the balance sheet date.

**3. Impairment of Assets :**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company’s fixed assets. If any indication exists, an assets’s recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

**4. Depreciation :**

Depreciation is provided on Straight Line Method at the rate and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on addition/deletion is calculated on pro rata basis.

**5. Foreign Exchange Transaction :**

- a) Transactions in Foreign Currency are recorded in equivalent Rupee value at rates prevailing at the time of transaction.
- b) Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the profit and loss a/c.

**6. Retirement benefit to employees :****a) Gratuity and Leave Encashment :**

The liability for Gratuity and Leave Encashment as at the year end is ascertained on the basis of actuarial valuation and accordingly provided for.

**b) Provident Fund :**

Eligible employees receive benefit from provident fund, which is defined contribution plan for which both employees and the company make monthly contribution to the provident fund plan equal to a specified percentage. The company has no further obligations under the provident fund plan beyond its monthly contribution.

**7. Valuation of Inventories :**

- a) Raw Material, Consumables and Packing Materials are valued at cost on FIFO basis.
- b) Finished and Semi finished goods are valued at lower of cost or net realisable value.
- c) By-Products are valued at net realisable value.

**8. Miscellaneous Expenditure:**

Preliminary expense, if any, will be amortized over the period of five years.

**9. Sales Accounting:**

In case of exports sale of goods is recognised at the time of shipped on board and in case of by- product sales of goods is recognised at the point of dispatch.

Sale of waste/by-products is net of excise duty.

**10. Research and Development :**

Research and development expenditure of capital nature has been capitalized and of revenue nature has been charged to the revenue account.

**11. Taxation :**

The company during the current year has not provided for Deferred Tax being a 100% EOU, its profits are totally exempt u/s 10 B of the Income Tax Act, 1961.

Fringe Benefit Tax is accounted for in accordance with the provisions of the Income Tax Act, 1961.

**(B) NOTES FORMING PART OF THE ACCOUNTS**
**1. Contingent liabilities not provided for**
**(RS. IN LACS)**

	As on 31.03.08	As on 31.03.07
a) Bills discounted	6,637.36	4,843.59
b) Outstanding guarantee & counter guarantee to various banks.	99.55	99.55

**2. RELATED PARTIES DISCLOSURES**
**A. PARTICULARS OF HOLDING / ASSOCIATE COMPANIES / FIRMS**
**(RS. IN LACS)**

S. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Debit Rs. in lacs	Credit Rs. in lacs	Amount as on 31.03.2008
1	Hind Industries Ltd.	Holding Company.	Loan Taken	---	---	Cr. 150.00
2.	Hind Industries Ltd	Company in which Directors are interested.	Business Transactions	5716.81	6989.51	Cr. 1272.70
3.	Al-Mashriq Exports Pvt. Ltd.	Company in which Directors are interested	Business Transactions	1.06	1.06	NIL
4.	Eatcco Foods Pvt. Ltd.	Company in which Directors are interested	Business Transactions	14.14	14.14	NIL
5.	Islamuddin & company	Firm in which KMP are Partners.	Rent	20.22	19.85	Dr. 0.37
6.	Hind Air Link Pvt Ltd	Company in which Directors are interested	Business Transactions	431.37	380.50	Dr. 50.87
7.	Hind Air Services Pvt Ltd	Company in which Directors are interested.	Business Transactions	16.30	NIL	Dr. 16.30
8.	Fast Trax Food Pvt Ltd	Company in which Directors are interested.	Business Transactions	320.68	274.36	Dr. 46.32
9.	Hind Biopharmaceuticals Ltd.	Company in which Directors are interested	Business Transactions	12.70	0.28	Dr. 12.42
10.	Samar Travels & Cargo Pvt. Ltd.	Company in which Directors are interested	Business Transactions	60.50	NIL	Dr. 60.50
11.	Integrated Live Stock Village Farm Pvt. Ltd.	Company in which Directors are interested	Business Transactions	35.85	8.66	Dr. 27.19
12.	Prime Packaging	Firm in which Directors are interested.	Supply of Packing Material	93.90	120.78	Cr. 26.88
13.	Hind Builders Ltd	Company in which Directors are interested	Business Transactions	39.31	NIL	Dr. 39.31

**B. KEY MANAGEMENT PERSONNEL**

S.NO.	NAME OF THE PERSONS	NATURE OF RELATIONSHIP
1.	Shri Sirajuddin Qureshi	Managing Director
2.	Smt. Kiran Qureshi	Director
3.	Dr. S. K. Ranjhan	Director
4.	Dr. Naseem Qureshi	President
5.	Mr. Samar Qureshi	Whole Time Director
6.	Mr. R. K. Goel	Chief Financial Officer

**C. DETAIL OF TRANSACTIONS RELATING TO PERSONS REFERRED TO IN ITEM (B) ABOVE**

	Unit of Measurement	Value of Transaction
a) Remuneration/ Consultancy	Rs. lacs	34.80
b) Rent	Rs. lacs	22.80

- In the opinion of the management, the "Current Assets, Loans and Advances" have a value on realisation in the ordinary course of business, atleast equal to the amount at which they are stated in the Balance Sheet.
- Due to realignment of the value of Debtors, to make it commensurate with the closing exchange rate, Sales & Debtors have accordingly been increased by Rs. 13.10 lacs. (Previous year decrease - Rs. 6.13 lacs)
- Balances appearing under the head Loans & Advances, Sundry Debtors and Sundry Creditors are subject to reconciliation and confirmation.
- During the year IDBI (SASF) and IFCI have revised the terms of earlier one time settlement and accordingly the company is making payments regularly. However, in the absence of availability of classification between NDC and term loan, the waived amount has been reflected as Liability Restructuring Amount to the extent of benefit received. Out of the said amount, the following have been .....as income during the year. Rs. 27.90 lacs as "IDBI Liability Written Back" and Rs. 158.51 lacs as "IFCI Liability Written Back".
- Payment to auditors :**

	For the year ended 31.03.2008	For the year ended 31.03.2007
Statutory Audit Fee	4,85,957	4,85,957
Tax Audit Fee	98,315	98,315
Total (Rupees)	5,84,272	5,84,272

**8. Information about segment Reporting :**
**I) Primary Segment – Geographical**

(Rs. in Lacs)

Particulars	Segment Revenue		Segment Expense		Segment Result	
	Current Year 2007-2008	Previous Year 2006-2007	Current Year 2007-2008	Previous Year 2006-2007	Current Year 2007-2008	Previous Year 2006-2007
PHILIPPINES	4360.13	8296.96	4357.34	8261.71	2.78	35.25
MALAYSIA	4721.68	7582.56	4718.67	7550.34	3.01	32.22
JORDAN	856.70	2869.54	856.15	2857.35	0.55	12.19
SAUDI ARABIA	2551.62	6936.61	2549.99	6907.14	1.63	29.47
HONG KONG	962.20	577.72	961.59	575.27	0.61	2.45
DENMARK	0.00	26.93	0.00	26.81	0.00	0.11
MAURITIUS	189.61	248.10	189.49	247.05	0.12	1.05
BAHRAIN	0.00	475.51	0.00	473.49	0.00	2.02
NEATHERLANDS	0.00	34.09	0.00	33.95	0.00	0.14
UAE	15772.68	7122.59	15762.61	7092.32	10.06	30.27
LEBANON	1631.14	5445.23	1630.10	5422.10	1.04	23.14

Particulars	Segment Revenue		Segment Expense		Segment Result	
	Current Year 2007-2008	Previous Year 2006-2007	Current Year 2007-2008	Previous Year 2006-2007	Current Year 2007-2008	Previous Year 2006-2007
QATAR	99.59	109.25	99.53	108.79	0.06	0.46
KUWAIT	137.67	31.85	137.58	31.71	0.09	0.14
AZERBAIJAN	0.00	145.74	0.00	145.12	0.00	0.62
EGYPT	0.00	2270.53	0.00	2260.89	0.00	9.65
REP OF YEMEN	148.33	190.69	148.24	189.87	0.09	0.82
SINGAPORE	169.87	30.68	169.77	30.55	0.11	0.13
VIETNAM	212.06	321.58	211.93	320.21	0.14	1.37
<b>TOTAL</b>	<b>31813.28</b>	<b>42716.16</b>	<b>31792.99</b>	<b>42534.67</b>	<b>20.29</b>	<b>181.50</b>
<b>UNALLOCABLE</b>	<b>5165.35</b>	<b>6022.12</b>	<b>4939.92</b>	<b>5061.32</b>	<b>225.46</b>	<b>960.80</b>
<b>TOTAL</b>	<b>36978.63</b>	<b>48738.29</b>	<b>36732.91</b>	<b>47595.99</b>	<b>245.75</b>	<b>1142.30</b>

**II) Secondary Segments**

The company is dealing only one product and hence no secondary segment reporting is considered necessary.

9. Cess under section 441A of the Companies Act, 1956, has not been provided / deposited in view of the fact that notification as required under the Act has not yet been issued by the Central Government.

**10. Reserve for Redemption of NCD :**

No Reserve on this account has been created considering that one time settlement has already been made with IDBI and IFCI and the NCD liability has been converted into Term Loan.

**11. Bio-Methenation Plant :**

The total cost of this Plant is Rs 325.00 lacs plus USD 656,000/- out of which 50 % is being paid as Grant by the Government directly to the Supplier. The Company has already paid Rs. 292.04 lacs and same is included in Capital Work In Progress. The Government share of grant will be adjusted in the year of completion.

12. The Company is entitled for adjustment of Sales Tax due for the period from 26.09.1997 to 25.06.2012 amounting to Rs.7594.39 lacs. The Sales tax assessments have been completed up to the financial year 2004-2005. However, the balance amount to be adjusted from 01.01.2008 to 25.06.2012 is Rs. 5275.53 lacs.

13. There exists no indication for the management to conclude that any of its cash generating units are impaired and accordingly no provision for impairment is required to be made in the financial statement.

**14. Additional information pursuant to part II of schedule VI to the Companies Act, 1956.**
**I) Value of Imports calculated on C.I.F. basis :**

A) In respect of Capital Goods – Rs. 269,665/- (Previous Year – Rs. NIL).

B) In respect of spares – Rs. 662,133/- (Previous Year – Rs. 34,63,895/-)

C) In respect of HSD purchase – NIL (Previous Year – Rs. 2,12,63,700/-)

**II) Expenditure in foreign currency:**

Travelling Expenses - Rs. 33,98,703/- (Previous Year - Rs. 63,37,834/-)

Commission - Rs. 59,08,247/- (Previous Year – Rs. 2,54,66,384/-)

**III) Earning in Foreign Currency :**

FOB value of goods exported Rs. 30,268.01 lacs (Previous Year- Rs. 39,574.93 lacs)

**IV) Licensed and installed capacity \*:**

CLASS OF GOODS	LICENSED CAPACITY (M.T.,P.A.)	INSTALLED CAPACITY (M.T.,P.A.)
Boneless Veal (Buffalo)- Frozen	9000	9000
Boneless Buffalo - Frozen	102000	102000
Sheep- Fresh	9000	9000

\*As certified by the management and relied upon by the Auditors being a technical matter.

**V) DETAILS OF RAW MATERIAL CONSUMED**

Particulars	Opening Stock	Purchase		Processed	Closing Stock	
	Qty in MT	Qty in MT	Value (Rs.)	Qty in MT	Qty in MT	Value (Rs.)
<b>BUFFALO</b>	0.000	53057.670	2726065365	53057.670	0.000	0.00
(Previous Year)	(0.000)	(80426.295)	(3339850047)	(80426.295)	(0.000)	(0.00)
<b>FRESH</b>	0.000	341.864	28822724	341.864	0.000	0.00
(Previous Year)	(0.000)	(1128.300)	(88345054)	(1128.300)	(0.000)	(0.00)

**VI) DETAILS OF FINISHED / SEMI FINISHED STOCK**

Particulars	Opening Stock	Purchase		Processed	Closing Stock	
	Qty in MT	Qty in MT	Value (Rs.)	Qty in MT	Qty in MT	Value (Rs.)
<b>BUFFALO</b>	7063.687	40941.491	41201.933	3156185608	6803.245	520584307
(Previous Year)	(6778.096)	(59439.917)	(59154.326)	(4193715783)	(7063.687)	(467757353)
<b>FRESH</b>	0.000	226.954	226.954	25142419	0.000	0.00
(Previous Year)	(0.000)	(748.001)	(748.001)	(77901063)	(0.000)	(0.00)

15. There is no liability to Small Scale Units.

16. Previous year figures have been re-grouped, re-casted to make them comparable with those of the current year.

*For and on behalf of the Board*

*As per Report of even date attached*

**SIRAJUDDIN QURESHI**  
Managing Director

**SAMAR QURESHI**  
Director

**R.K.GOEL**  
Chief Financial Officer  
& Company Secretary

**FOR VIPIN AGGARWAL & ASSOCIATES**  
Chartered Accountants

**D.GUHA**  
Dy. General Manager (I.A.)  
(Finance & Accounts)

**MOHD.ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)

**(VIPIN AGGARWAL)**  
Partner  
(Membership No.16544)

PLACE : NEW DELHI  
DATE : 27.08.2008

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT,1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

Registration No.	16502	State Code	20
Date	31032008		

**II. Capital Raised during the year (amount in Thousands)**

Public issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III. Position of Mobilisation and deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	2144196	Total Assets	2144196
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**Sources of Funds**

Paid up Capital	331500	Reserves & Surplus	348812
Secured Loans	1437719	Unsecured Loan	15000
Deferred Tax Liability	11165		

**Application of Funds**

Net Fixed Assets	891991	Investment	NIL
Net Current Assets	1252205	Misc. Expenditure	NIL

**IV. Performance of the Company (Amount in Rs. Thousands)**

Turnover	3596712	Total Expenditure	3675003
Profit/(Loss) Before Tax	24989	Profit /(Loss) After Tax	22859
Earning Per Share in Rs.	0.69	Dividend Rate %	NIL

**V. Generic Names of three Principal Products/ Services of Company**

Item Code No. (I.T.C.Code)	020610
Product Description	FRESH CHILLED FROZEN MEAT & MEAT PRODUCTS

The ITC codes of the products are as publication "Indian Trade Classification" base on harmonised commodity description and coding system by Ministry of Commerce, Directorate Intelligence and Statistics.

**For and on behalf of the Board****As per Report of even date attached**

**SIRAJUDDIN QURESHI**  
Managing Director

**SAMAR QURESHI**  
Director

**R.K.GOEL**  
Chief Financial Officer  
& Company Secretary

**FOR VIPIN AGGARWAL & ASSOCIATES**  
Chartered Accountants

**D.GUHA**  
Dy. General Manager (I.A.)  
(Finance & Accounts)

**MOHD.ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)

**(VIPIN AGGARWAL)**  
Partner  
(Membership No.16544)

PLACE : NEW DELHI  
DATE : 27.08.2008



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

PARTICULARS	For the year Ended 31.03.2008 (Rs.)	For the year Ended 31.03.2007 (Rs.)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation as per Profit & Loss Account	228.59	1,076.32
<b>ADJUSTMENTS FOR</b>		
Depreciation	640.08	606.41
Adjustment in Depreciation for Fixed Assets sale	(18.32)	(91.06)
Deferred Tax Expenses / Revenue	—	—
Preliminary Expenses	—	10.76
Interest Paid	1,119.65	1,224.83
Operating Profit Before Working Capital Changes	<u>1,970.00</u>	<u>2,827.26</u>
<b>ADJUSTMENTS FOR</b>		
Sundry Debtors	(621.08)	(806.54)
Inventory	(571.33)	(759.68)
Trade Receivable	(814.44)	(1,107.18)
Trade Payable	108.53	1,002.76
<b>NET CASH FROM OPERATING ACTIVITIES.....A</b>	<u>71.68</u>	<u>1,156.62</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(284.60)	(618.93)
Proceeds from Sale of Fixed Assets	59.09	361.54
Capital work in progress	33.45	435.19
<b>NET CASH USED IN INVESTING ACTIVITIES.....B</b>	<u>(192.06)</u>	<u>177.80</u>
<b>C) CASH FLOW FROM FINANCE ACTIVITIES</b>		
Proceeds from issue of Share Capital	—	—
Secured Loan	(496.35)	(1,212.14)
Unsecured Loan	—	(350.00)
Proceeds from Borrowings	2,079.04	1,834.74
Interest paid	(1,119.65)	(1,224.83)
<b>NET CASH USED IN FINANCE ACTIVITIES.....C</b>	<u>463.04</u>	<u>(952.23)</u>
<b>CASH FLOW DURING THE YEAR.....(A+B-C)</b>	<u>342.66</u>	<u>382.19</u>
Cash & Cash Equivalents (Opening Balance)	546.41	164.22
Cash & Cash Equivalents (Closing Balance)	<u>889.07</u>	<u>546.41</u>

*For and on behalf of the Board*

*As per Report of even date attached*

**SIRAJUDDIN QURESHI**  
Managing Director

**SAMAR QURESHI**  
Director

**R.K.GOEL**  
Chief Financial Officer  
& Company Secretary

**FOR VIPIN AGGARWAL & ASSOCIATES**  
Chartered Accountants

**D.GUHA**  
Dy. General Manager (I.A.)  
(Finance & Accounts)

**MOHD.ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)

**(VIPIN AGGARWAL)**  
Partner  
(Membership No.16544)

PLACE : NEW DELHI  
DATE : 27.08.2008

**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have examined the attached consolidated Balance Sheet as at 31st March 2008 also the consolidated Profit & Loss account of 'M/s Hind Industries Limited' along with its subsidiary 'M/s Hind Agro Industries Limited' as at March 31, 2008.

These financial statements are the responsibility of the Hind Industries Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes, examining on test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of its subsidiary, whose financial statements reflect total assets of Rs. 214.42 crores as at March 31, 2008 and total revenues of Rs. 369.79 crores for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary is based solely on the reports of the other auditors.

Consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS-) 21, issued by the Institute of Chartered

Accountants of India, and on the basis of the separate audited financial statements of the Hind Agro Industries Ltd included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consolidation of the separate audit reports on the individual audited financial statements of the Holding Company and subsidiary company, we report that, :

**(a) Provision for Sundry Debtors in case of Holding Company is pending for adjustment.**

**Subject to the above,**

We are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In so far it relates to consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
- b) In so far as it relates to the consolidated Profit & Loss Account, of the Profit of the Company for the year ended on that date;
- c) In so far it relates to the consolidated Cash Flow Statement, of the cash flows of the company for the year ended on that date.

**for and on behalf of**  
**M.K.AGGARWAL & CO.**  
Chartered Accountants

**Date : 30/08/2008**  
**Place : New Delhi**

**(ATUL AGGARWAL)**  
Partner  
M.No-99374



**CONSOLIDATED BALANCE SHEET AS AT MARCH 31ST, 2008**

PARTICULARS	Schedules	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<b>I. SOURCES OF FUNDS</b>			
<b>1. Shareholder's Funds</b>			
a) Share Capital	1	89,591,200	89,591,200
b) Reserves & Surplus	2	698,287,714	681,651,403
c) Minority interest	3	295,520,896	285,591,119
		<u>1,083,399,810</u>	<u>1,056,833,722</u>
<b>2. Loan Funds</b>			
a) Secured Loans	4	1992,167,978	1,677,121,857
b) Unsecured Loan		10,445,386	49,508,399
		<u>3,086,013,174</u>	<u>2,783,463,978</u>
<b>3. Deferred Tax Liability</b>			
		69,946,739	53,256,000
<b>TOTAL</b>		<u><u>3,155,959,913</u></u>	<u><u>2,836,719,978</u></u>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	5	1,943,871,063	1,919,955,522
b) Less: Depreciation		745,294,315	660,010,234
c) Net Block		1,198,576,748	1,259,945,288
d) Capital work in-Progress		64,137,538	65,245,460
		<u>1,262,714,286</u>	<u>1,325,190,748</u>
<b>2. Investments</b>			
	5a	—	—
<b>3. Current Assets, Loans &amp; Advances</b>			
Less: Current Liabilities & Provisions	7	2,291,270,165	1,897,301,135
		398,024,538	385,771,905
Net Current Assets		<u>1,893,245,627</u>	<u>1,511,529,230</u>
<b>TOTAL</b>		<u><u>3,155,959,913</u></u>	<u><u>2,836,719,978</u></u>
Significant Accounting Policies and Notes to the Accounts	16		

**For and on behalf of the Board****As per Report of even date attached  
For & on behalf of****SIRAJUDDIN QURESHI**  
Chairman & Managing Director**DR.NASEEM QURESHI**  
Director**R.K.GOEL**  
Chief Financial Officer**M .K. AGGARWAL & CO**  
Chartered Accountants**D.GUHA**  
Dy. General Manager (I.A.)  
(Finance & Accounts)**MOHD.ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)**SAMAR BHATIA**  
Company Secretary**(ATUL AGGARWAL)**  
Partner  
(Membership No.99374)PLACE : NEW DELHI  
DATE : 30/08/2008

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31ST, 2008**

PARTICULARS	Schedules	For the year Ended	For the year Ended
		31.03.2008 (Rs.)	31.03.2007 (Rs.)
<b>INCOME</b>			
Sales	8	4,584,706,275	5,641,627,262
Other Income	9	40,826,367	85,620,124
Increase/(Decrease) in Stocks	10	84,220,818	58,523,988
		<b>4,709,753,460</b>	<b>5,785,771,374</b>
<b>EXPENDITURE</b>			
Materials Consumed & Manufacturing Expenses	11	3,790,648,935	4,463,420,628
Employees Remuneration & Benefits	12	54,941,962	52,796,215
Administrative & Other Expenses	13	50,524,451	72,339,428
Marketing Expenses	14	519,764,822	767,395,668
Financial Expenses	15	154,468,528	166,368,933
Bad Debts written off		—	4,141,079
Depreciation	5	90,784,484	86,770,016
		<b>4,661,133,182</b>	<b>5,613,231,967</b>
<b>PROFIT / (-) LOSS BEFORE TAX</b>		<b>48,620,278</b>	<b>172,539,407</b>
Prior Period Income		—	421,120
Prior Period Expenses		461,004	106,214
<b>Less: Current Taxes</b>			
i) Income Tax for Current Year		2,677,324	6,386,411
ii) Income Tax for Earlier Years		63,547	3,266,234
iii) Provision for Wealth Tax		12,177	93,906
iv) Wealth tax for Earlier Years		36,257	—
v) Fringe Benefit Tax		2,084,336	2,784,320
vi) Fringe Benefit Tax 2005-2006		—	1,582,968
vii) Deferred Taxes		16,690,739	12,502,362
<b>PROFIT / (-) LOSS AFTER TAX</b>		<b>26,594,894</b>	<b>146,238,112</b>
Add: Surplus brought from previous year		412,847,797	266,609,685
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>439,442,691</b>	<b>412,847,797</b>
Surplus/(Deficits) Carried to Balance Sheet		439,442,691	412,847,797
Significant Accounting Policies & Notes to Account forming part of the Accounts	16		

**For and on behalf of the Board****As per Report of even date attached  
For & on behalf of****SIRAJUDDIN QURESHI**  
Chairman & Managing Director**DR.NASEEM QURESHI**  
Director**R.K.GOEL**  
Chief Financial Officer**M .K. AGGARWAL & CO**  
Chartered Accountants**D.GUHA**  
Dy. General Manager (I.A.)  
(Finance & Accounts)**MOHD.ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)**SAMAR BHATIA**  
Company Secretary**(ATUL AGGARWAL)**  
Partner  
(Membership No.99374)PLACE : NEW DELHI  
DATE : 30/08/2008

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AS AT MARCH 31, 2008**

<b>PARTICULARS</b>	<b>AS AT 31.03.2008 (Rs.)</b>	<b>AS AT 31.03.2007 (Rs.)</b>
<b>SCHEDULE '1'-SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
16000000 (Previous year 16000000) Equity Shares of Rs. 10/- each	<b>160,000,000</b>	160,000,000\
<b>ISSUED, SUBSCRIBED &amp; PAID UP:</b>		
8636240 ( Previous year-8636240) Equity Shares of Rs. 10/- each fully paid up	<b>86,362,400</b>	86,362,400
Out of above:		
i) 990 (Previous Year 990) Equity Shares are allotted as fully paid pursuant to a contract without payment received in cash		
ii) 1070000 (Previous Year 1070000) Equity Shares of Rs. 10/- each fully paid have been allotted as Bonus Shares by capitalisation of General Reserve.		
Add: Share Forfeited 1286820 Shares (Previous Year1286820) on which Rs.3228800/-Paid up	<b>3,228,800</b>	3,228,800
<b>TOTAL</b>	<b>89,591,200</b>	89,591,200
<b>SCHEDULE '2' - RESERVES AND SURPLUS</b>		
<b>1. REVALUATION RESERVES</b>		
Balance as per last Balance Sheet	<b>1,670,765</b>	1,699,571
Less: Amortisation of land	<b>(28,806)</b>	(28,806)
	<b>1,641,959</b>	1,670,765
<b>2. Securities Premium Account</b>	<b>74,272,496</b>	74,272,496
<b>3. Capital Reserve</b>	<b>3,228,800</b>	3,228,800
<b>4. GENERAL RESERVES</b>		
Balance as per last Balance Sheet	<b>418,117,714</b>	379,511,527
<b>5. Profit &amp; Loss Account</b>		
Amount of Subsidiary Profit & Loss Account	<b>348,811,158</b>	325,952,047
Less : Minority interest	<b>151,520,196</b>	141,590,419
		184,361,628
Profit & (Loss) Account	<b>3,735,783</b>	38,606,187
	<b>201,026,745</b>	222,967,815
<b>TOTAL</b>	<b>698,287,714</b>	681,651,403
<b>SCHEDULE '3'- MINORITY INTEREST</b>		
Share in the Capital of subsidiary company	<b>144000700</b>	144000700
Share in Reserve & Surplus of subsidiary Company	<b>151520196</b>	141590419
<b>TOTAL</b>	<b>295520896</b>	285591119



**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AS AT MARCH 31, 2008**

PARTICULARS	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<b>SCHEDULE '4'-SECURED LOANS</b>		
Term Loans From Financial Institutions (Secured by first charge by way of hypothecation of all the movable properties (save and except book debts) including movable machinery, machinery spares, tools and accessories present and future subject to prior charges created and /or to be created in favour of the borrower's bankers on stock of raw - materials, semifinished and finished goods, consumable stores, book debts and such other movables used in the ordinary course of business). and partly secured by mortgage of land together with building constructed or to be constructed	438,990,745	507,254,915
<b>Liability Under IFCI Restructuring account *</b>	138,124,709	160,356,331
<b>Liability Under IDBI Restructuring account *</b> (The negotiated settlement have been made by the FI's, the classification and quantification resettled amount into NCD and Term Loan is yet to be informed by FI's, hence NCD & Term Loan are stated at their original amount and adjustment has been made therein for waived amount and payment made to them. However as far as securities against the above amounts are concerned they will continue to remain the same as mentioned above).	33,484,576	36,274,957
<b>Bank of India Corporate Loan -</b> (Secured against property at A-1, Okhla Industrial Area, New Delhi, Personal Guarantee of Mr. Sirajuddin Qureshi, Mrs. Kiran Qureshi, Mr. Samar Qureshi, Dr. Naseem Qureshi and Corporate Guarantee of M/s Islamuddin & Co.,)	142,000,000	—
<b>Working Capital Loans from Banks</b> Secured by Stock, Book Debts, FDRs, Personal Guarantee of the Promoter Directors and second charge on the entire fixed assets (present & future) of the company.	1,214,151,197	958,610,474
<b>DEFERRED PAYMENT CREDIT</b> Secured by Hypothecation of vehicles	25,416,751	14,625,179
<b>TOTAL</b>	<b>1,992,167,978</b>	<b>1,677,121,857</b>
<b>UNSECURED LOAN</b> Other Loans	<b>10,445,386</b>	<b>49,508,399</b>

**\*Notes**

- 1175000 Secured, Non Convertible Debentures (NCD's) of the face value of Rs.100/- each fully paid up for cash at par, aggregating to Rs.11.75 crores (Previous Year - Rs.11.75 crores) carrying an interest at the rate of PLR + 3.5% per annum, redeemable at par in twelve equal quarterly instalments commencing from April 15, 2005 and ending on April 15, 2008 as sanctioned, have been allotted to IFCI Ltd.
- Against the sanction of 930,000 Secured, Non Convertible Debentures (NCD's) of the face value of Rs.100/- each aggregating to Rs.9.30 crores, 9,30,000 NCD's of the face value of Rs.100/- each fully paid for cash at par aggregating to Rs.9.30 crores (Previous Year - Rs.9.30 crores), carrying an interest at the rate of 17% per annum, redeemable at par in three equal annual installments at the end of 4th, 5th and 6th years from the date of allotment (i.e. from March 2005 to March 2007), have been subscribed and allotted to the Industrial Development Bank of India (IDBI).
- The NCD's as mentioned in point No. 1 & 2 above have been secured by mortgage of entire land (i.e at Aligarh (UP) and at Mehsana (Gujarat) of the Company together with building constructed or to be constructed thereon and first charge on all the assets of the company both present and future in favour of FI's ranking pari passu subject to prior charges on specific movables created in favour of the company's bankers for securing working capital facilities. The said NCD's are also secured by way of irrevocable and unconditional guarantee of the holding company i.e. Hind Industries Ltd. (HIL) for Rs.21.05 Crores which includes pledging its 51% shareholdings in the company (HAL) for Rs.11.75 Crores and also to the extent of Personal Guarantees of Mr. Sirajuddin Qureshi for Rs.21.05 Crores and Mrs. Kiran Qureshi for Rs.9.30 Crores.
- Interest accrued & Due on NCD & Term Loan are secured by mortgage of land together with building constructed or to be constructed thereon and first charge on all the assets of the company both present & future in favour of FI's ranking pari passu subject to prior charges on specific movables created in favour of the company's Bankers for securing working capital facility. The loan is also secured by way of irrevocable and unconditional corporate guarantee of the holding Company, i.e. Hind Industries Limited.

**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED THE BALANCE SHEET AS AT MARCH- 31, 2008  
SCHEDULE "5" - FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at April 01, 2007	Additions during the Year	Sales during the year	Adjustment	Total As At 31.03.2008	Upto 31.03.2007	For the year	Adjustment	Upto 31.03.2008	As At 31.03.2008	As At 31.03.2007
LEASEHOLD LAND	3105460	0	0	0	3105460	703904	41406.00	0	745310	2360150	2401556
FREEHOLD LAND	23393455	0	0	0	23393455	0	0	0	0	23393455	23393455
FACTORY BUILDING	271905120	1718798	0	0	273623918	76376211	9129479	0	85505690	188118228	195528909
PLANT & MACHINERY	1528557429	23970589	5909004	0	1546619014	540429716	73343944	-1779420	611994240	934624774	988127713
VEHICLES	37023723	239558	0	4215213	33048068	18093109	3021475	-3696731	17417853	15630215	18930614
TRUCKS	7713985	6168539	0	0	13882524	3114185	1312335	574559	5001079	8881445	4599800
FURNITURE & FIXTURES	29710236	437437	0	0	30147673	12923241	1871373	0	14794614	15353059	16786995
COMPUTERS	8130219	1163529	0	0	9293748	4989055	995051	0	5984106	3309642	3141164
OFFICE EQUIPMENTS	10397900	341307	0	0	10739207	3362819	470608	0	3833427	6905780	7035081
ELECTRICAL EQUIPMENTS	17995	0	0	0	17995	17995	0	0	17995	0	0
TOTAL	1919955522	34039757	5909004	4215213	1943871062	660010235	90185671	-4901592	745294315	1198576747	1259945287
PREVIOUS YEAR	1875690861	80418509	36153848	0	1919955522	582317908	86798822	-9106495	660010235	1259945287	1293372951

Depreciation for the year includes amortization of land of Rs.41406/- of which Rs.28806/- transferred from Revaluation Reserve and Rs.12600/- debited to Profit & Loss Account.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AS AT MARCH 31, 2008**

<b>PARTICULARS</b>	<b>AS AT 31.03.2008 (Rs.)</b>	<b>AS AT 31.03.2007 (Rs.)</b>
<b>SCHEDULE '5a' - COST OF CONTROL</b>		
Book Value of investments in subsidiary company	187,500,000	187,500,000
Less: Cost of shares held in subsidiary company	187,500,000	187,500,000
	—	—
	<u>                    </u>	<u>                    </u>
<b>SCHEDULE '6' - CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. CURRENT ASSETS</b>		
<b>1. INVENTORIES</b>		
(As valued, taken & certified by the Management)		
Finished goods	731,979,133	647,758,315
Packing Materials	15,710,355	24,472,132
	<u>747,689,488</u>	<u>672,230,447</u>
<b>2. SUNDRY DEBTORS</b>		
(Unsecured Considered Good)		
Over Six Months - Considered Good	53,923,831	71,412,173
Over Six Months - Considered Doubtful	4,000,000	4,000,000
Others	778,650,049	635,978,590
	<u>836,573,880</u>	<u>711,390,763</u>
Less: Provision For Doubtful Debts	4,000,000	4,000,000
	<u>832,573,880</u>	<u>707,390,763</u>
<b>3. CASH &amp; BANK BALANCES</b>		
Cash in hand	6,523,398	2,349,037
Balance with the Banks	109,603,684	54,844,426
	<u>116,127,082</u>	<u>57,193,463</u>
<b>TOTAL (A)</b>	<u>1,696,390,450</u>	<u>1,436,814,673</u>
<b>B . LOANS AND ADVANCES (UNSECURED- CONSIDERED GOOD)</b>		
Advances recoverable in cash or in kind or for value to be received	552,518,859	366,079,705
Other Advances - considered good	3,130,364	4,837,883
Advances to Suppliers	6,169,049	60,452,643
Security Deposits	33,061,443	29,116,231
	<u>594,879,715</u>	<u>460,486,462</u>
<b>TOTAL (A+B)</b>	<u>2,291,270,165</u>	<u>1,897,301,135</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AS AT MARCH 31, 2008**

<b>PARTICULARS</b>	<b>AS AT 31.03.2008 (Rs.)</b>	<b>AS AT 31.03.2007 (Rs.)</b>
<b>SCHEDULE '7' CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	128,118,523	203,109,385
Other Liabilities	225,997,971	145,693,962
Interest accrued but not due	571,476	612,296
<b>TOTAL</b>	<b>354,687,970</b>	<b>349,415,643</b>
<b>PROVISIONS</b>		
Provision for Staff- Welfare Schemes	27,722,241	22,549,355
Provision for Income Tax / Wealth Tax	15,614,327	13,806,907
<b>TOTAL</b>	<b>398,024,538</b>	<b>385,771,905</b>
<b>SCHEDULE '8' - SALES</b>		
Export Sales	4,124,652,755	5,175,339,253
Sales of Waste & By product	460,053,520	466,288,009
<b>TOTAL</b>	<b>4,584,706,275</b>	<b>5,641,627,262</b>
<b>SCHEDULE '9' OTHER INCOME</b>		
Gain in Foreign Exchange Fluctuation	—	1,397,055
Miscellaneous Income	40,826,367	84,223,069
<b>TOTAL</b>	<b>40,826,367</b>	<b>85,620,124</b>
<b>SCHEDULE '10' INCREASE / DECREASE IN STOCK</b>		
Closing Stock of Finished Goods	731979133	647758315
Less: Opening Stock of Finished Goods	647758315	589234327
<b>TOTAL</b>	<b>84,220,818</b>	<b>58523988</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008**

	For the year Ended 31.03.2008 (Rs.)	For the year Ended 31.03.2007 (Rs.)
<b>SCHEDULE '11' MANUFACTURING EXPENSES</b>		
Raw Material Consumed	3,466,271,148	4,055,899,822
Consumable Stores	18,935,394	31,586,093
Packing Material Consumed	76,355,409	114,582,264
Power & Fuel	162,126,218	185,180,645
D.G. Hiring Charges	2,665,423	2,395,992
<i>Repair &amp; Maintenance:</i>		
— Plant & Machinery	24,727,820	29,303,165
— Building	2,622,591	4,375,785
Wages	19,704,736	19,613,707
Insurance (Plant)	1,268,815	1,983,308
Research & Development Expenses	1,651,636	2,237,626
Security Charges (factory)	1,693,827	2,078,825
Horticulture Expenses	720,332	859,131
Others	11,905,586	13,324,265
<b>TOTAL</b>	<b>3,790,648,935</b>	<b>4,463,420,628</b>
<b>SCHEDULE '12' PAYMENTS TO &amp; PROVISION FOR EMPLOYEES</b>		
Salaries, Wages and Other Benefits	51,488,557	49,192,210
Contribution to Provident Fund & Other Funds	3,453,405	3,604,005
<b>TOTAL</b>	<b>54,941,962</b>	<b>52,796,215</b>
<b>SCHEDULE '13' ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	6,589,760	5,805,986
Vehicle Running & Maintenance	3,779,296	8,327,863
Travelling & Conveyance	8,812,061	12,538,613
Electricity & Water Charges	1,223,387	1,826,905
Repair & Maintenance - Office	3,999,502	3,852,756
Rates, Taxes & Subscription	1,087,272	1,396,997
Security Service Charges	1,166,215	936,339
Printing & Stationery	2,549,680	2,826,535
Audit Fee	1,004,050	958,272
Tax Audit Fee	113,362	101,000
Certification Charges	121,172	60,000
Legal & Professional Expenses	6,124,750	6,607,975
Loss on Sale of Fixed Assets	2,878,290	12,844,081
Insurance	5,427,787	6,318,594
Telephone & Postage Expenses	4,021,843	5,383,239
Preliminary Expenses	—	1,076,316
Misc. Expenses	1,626,024	1,477,957
<b>TOTAL</b>	<b>50,524,451</b>	<b>72,339,428</b>



**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008**

	For the year Ended 31.03.2008 (Rs.)	For the year Ended 31.03.2007 (Rs.)
<b>SCHEDULE '14'- SELLING DISTRIBUTION &amp; OTHER EXPENSES</b>		
Freight & Forwarding Expenses	500,937,601	726,601,002
Business Promotion Expenses	12,864,974	15,081,192
Sales Commission	5,962,247	25,713,474
<b>TOTAL</b>	<b>519,764,822</b>	<b>767,395,668</b>
<b>SCHEDULE '15'- FINANCIAL EXPENSES</b>		
Interest on Term Loans, Working Capital loans & NCD.	105,075,902	123,979,034
Bank Interest and Charges	49,392,626	42,389,899
<b>TOTAL</b>	<b>154,468,528</b>	<b>166,368,933</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008.****SCHEDULE – 16****A. SIGNIFICANT ACCOUNTING POLICIES****A.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements are prepared on Historical Cost convention and Accrual Basis, in accordance with applicable Accounting Standards and the relevant disclosure requirements of the Companies Act 1956.

**A-2 USE OF ESTIMATES**

The preparation of financial statements is in conformity with GAAP which requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balance of the assets and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates includes the useful life of fixed assets, provision for doubtful debt / advances, future obligation in respect of retirement benefit plans etc. Actual results could differ from these estimates.

**A.3 FIXED ASSETS**

- a) Fixed Assets are stated at original cost, less depreciation, except in case of leasehold land which is stated at revalued cost.
- b) Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Borrowing cost related to the acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or construction are included on the book value of the assets.
- c) All costs relating to up gradations / enhancements are generally charged off as revenue expenditure unless they bring significant additional benefits of lasting nature.
- d) Capital work in progress comprises of fixed assets acquired and other incidental cost that are not ready for intended use before the balance sheet date.
- e) Impairments
- i) 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 assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their

present value at the weighted average cost of capital.

- ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**A.4 INVENTORIES**

Inventories are stated at lower of cost or net realisable value. The cost of various categories of inventories is arrived at as under: -

- I) Raw material and packing material is valued at cost on FIFO method.
- II) Stores & spares parts purchased are taken as consumption during the year.
- III) The realisable costs of inventories of finished goods are arrived at Direct Costing Method, based on FIFO formula.
- IV) By Products are valued at net realizable value.

**A.5 REVENUE RECOGNITION**

- i) Sales: Sales of goods are accounted for on C&F basis and are net of discount and sales return.
- ii) Purchases: Purchases are accounted exclusive of animal's waste and other materials returned to the suppliers as per practice prevailing in the trade.
- iii) Income: Revenue is recognised only when there is reasonable certainty that the ultimate collection will be made.

**A.6 DEPRECIATION**

- i) Depreciation is provided under the Straight Line Method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956.
- ii) Leasehold land is being amortised over the period of lease.

**A.7 RETIREMENT BENEFITS****a) Gratuity and Leave Encashment**

The liability for Gratuity and Leave Encashment as at the year end is ascertained on the basis of actuarial valuation and accordingly provided for.

**b) Provident Fund**

Eligible employees receive benefit from provident fund, which is defined contribution plan for which both employees and the company make monthly contribution to the provident fund equal to a specified percentage. Retirement benefits in the form of provident fund are charged to profit and loss account of the year when contribution to the fund is due. The company has no further obligations under the provident fund plan beyond its monthly contribution.

**A.8 FOREIGN EXCHANGE TRANSACTIONS**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account for the year.

All foreign currency denominated monetary assets and liabilities are translated at the exchange rates prevailing on the Balance Sheet date. The resultant exchange differences are recognised in the profit and loss account for the year, other than exchange differences related to the liabilities for acquisition of fixed assets that are adjusted to the cost of fixed assets.

**A.9 TAXATION**

Provision for Income Tax is made on the basis of the result of the year. In accordance with Accounting Standard 22- Accounting for taxes on income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date.

Deferred tax liabilities and assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future.

Current year tax & Fringe Benefit tax is accounted for in accordance with the provisions of the Income Tax Act, 1961.

Current year Deferred Tax has not been provided by the Subsidiary being 100% EOU, the profit of which are exempt u/s 10B of the Income Tax Act, 1961.

**A.10 CONTINGENT LIABILITIES & PROVISIONS**

In terms of the requirement of Accounting Standard 29 (AS-29) on "Provisions, Contingent Liabilities and Contingent Assets".

- a) Where, as a result of past events, there is a present obligation that probably requires an outflow of resources and reliable estimates can be made of the amount of obligation – an appropriate provision is created and disclosed;
- b) Where, as a result of past events, there is a possible obligation that may, but probably will not require an outflow of resources– no provision is recognized but appropriate disclosure made as contingent liability unless the possibility of outflow is remote.

**A.11 CONSOLIDATION OF FINANCIAL STATEMENTS**

- a) The consolidation of accounts of the company with its subsidiary company, "Hind Agro Industries Limited" has been done on the basis of AS-21 issued by The Institute of Chartered Accountants of India.

- b) The consolidated financial statements have been prepared using uniform accounting policies in accordance with Generally Accepted Accounting Principles (GAAP).
- c) The effect of intra group transactions are eliminated in consolidation.

**B. NOTES TO CONSOLIDATED ACCOUNTS :**

- B.1** Hind Industries Limited (hereinafter referred to as 'the Holding Company') holds 56.56% shares of equity share Capital of Hind Agro Industries Limited (hereinafter referred to as 'the subsidiary Company'). The Subsidiary Company has been incorporated under Companies Act, 1956 and follows the same financial year and reporting date as holding Company.
- B.2** Holding company as per the re-negotiated terms and conditions with IFCI is making regular payments during the year. However, the company is reasonably sure to comply with the terms of the re-negotiated settlement.
- B.3** During the year IDBI (SAFS) and IFCI have revised the terms of earlier one time settlement and accordingly the Company is making payments regularly. However, in the absence of availability of classification between NCD and Term Loan, the waived amount has been reflected as Liability Restructuring account to the extent of benefit received. Out of the said amount, the following have been recognised as income during the year, Rs. 27.90 lacs as "IDBI Liability Written Back" and Rs. 158.51 lacs as "IFCI Liability Written Back".
- B.4** Mr. Sirajuddin Qureshi & Mrs. Kiran Qureshi, Directors of the Holding Company have given personal guarantee to Industrial Finance Corporation of India Limited for Rs. 1519.10 lacs. Also the loan of Rs. 2000.00 lacs from Bank of India is secured by Personal Guarantee of Mr. Sirajuddin Qureshi, Mrs. Kiran Qureshi, Mr. Samar Qureshi, Dr. Naseem Qureshi and Corporate Guarantee of M/s Islamuddin & Co.
- B.5** The current assets, loans and advances are realisable at the value stated in the balance sheet, in the ordinary course of business.
- B.6** Balance under sundry creditors, sundry debtors, Loan and advances are subject to confirmation and reconciliation and consequent adjustments thereof.
- B.7** Detailed accounting policies and Notes on Accounts of the Holding and Subsidiary Company are set out in their respective financial statements.
- B.8** In case of Subsidiary company, Cess under section 441A of the Companies Act, 1956, has not been provided/ deposited in view of the fact that notification as required under the Act has

not yet been issued by the Central Government.

- B.9** There exists no indication for the management to conclude that any of its cash generating units impaired and accordingly no provision for impairment is required to be made in the financial statement.
- B.10** A sum of Rs.296.51 lacs has been capitalized as pre-operative expenditure under the head "High Security Registration Number Plate (HSRNP)". The expenditure is separately shown under WIP as the unit has not yet commenced production.
- B.11** A sum of Rs. 22.62 lacs has been capitalized, being expenditure incurred on Salboni project, being pre-operative in nature and there is no change in the progress of the project being dependant on West Bengal Government.
- B.12** In case of Subsidiary company, the total cost of Bio-Methenation Plant is Rs 325.00 lacs plus USD 656,000, out of which 50 % is being paid as Grant

by the Government directly to the Supplier. The Company has already paid Rs. 292.04 lacs and same is included in Capital Work In Progress. The Government share of grant will be adjusted in the year of completion.

- B.13** The Subsidiary company is entitled for adjustment of Sales Tax due for the period from 26.09.1997 to 25.06.2012 amounting to Rs.7594.39 lacs. The Sales tax assessments have been completed up to the financial year 2004-2005. The balance amount to be adjusted from 1.1.2008 to 25.06.2012 is Rs.5275.53 lacs.
- B.14** The Holding Company has paid a sum of Rs.50 lacs towards purchase of shares from Uttar Pradesh Pashudhan Udyog Nigam Ltd. (UPPUNL) and balance liability, if any, of Rs. 150 lacs is payable in accordance with agreement entered into with the said corporation. However the company has not provided the liability, which is recoverable in the opinion of the management.

**C.1 Accounting for Deferred Tax on Income (Accounting Standard – 22) : (Rs. In lacs)**

Particulars	Year Ended 31.03.2008	Year Ended 31.03.2007
<b>a) Deferred Tax Assets on account of timing difference :</b>		
i) Provision for Doubtful Debts	32.63	32.31
ii) Provision for Gratuity & Bonus	40.01	28.52
iii) Provision for Leave Encashment	4.61	2.43
iv) Carry forward losses	86.84	286.11
<b>Total</b>	<b>164.08</b>	<b>349.37</b>
<b>b) Deferred Tax Liability on account of timing difference:</b>		
i) Depreciation on fixed assets	751.90	770.28
<b>Total</b>	<b>751.90</b>	<b>770.28</b>
<b>Net Deferred Tax Liability (B-A)</b>	<b>587.52</b>	<b>420.91</b>

**C.2 RELATED PARTY DISCLOSURES**

Sl. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Debit Rs. in lac	CREDIT Rs in lac	Balance Amount as on 31.03.2008 (Rs. In Lacs)
1.	Al-Mashriq Exports Pvt. Ltd.	i) Company in which KMP* are interested.	i) Business Transactions	92.50	92.50	Nil
		ii) Company in which Directors are interested.	ii) Business Transaction	1.06	1.06	Nil
2.	Eatcco Foods Pvt. Ltd.	i) Company in which KMP* are interested.	i) Business Transactions	Nil	Nil	Nil
		ii) Company in which Directors are interested.	ii) Business Transaction	14.14	14.14	Nil
3.	Islamuddin & Company	i) Firm in which KMP* are interested.	i) Rent	11.79	11.53	Dr. 0.26
		ii) Firm in which KMP* are Partner.	ii) Rent	20.22	19.85	Dr. 0.37
4.	Hind Air Link Pvt Ltd	i) Company in which KMP* are interested.	Business Transactions	0.50	0.50	Nil
		ii) Company in which Directors are interested.		431.37	380.50	Dr. 50.87

Sl. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Debit Rs. in lac	CREDIT Rs in lac	Balance Amount as on 31.03.2008 (Rs. In Lacs)
5.	Hind Air Services Pvt Ltd	i) Company in which Directors are interested.	Business Transactions	0.04	0.04	Nil
		ii) Company in which Directors are interested.		16.30	Nil	Dr. 16.30
6.	Fast Trax Food Pvt Ltd	i) Company in which KMP* are interested.	i) Business Transactions	15.00	14.88	Dr. 0.12
		ii) Company in which Directors are interested.	ii) Business Transactions	320.68	274.36	Dr. 46.32
7.	Prime Packaging	Firm in which Directors are interested.	Supply of Packing Material.	93.90	120.78	Cr. 26.88
8.	Samar Travels & Cargo Pvt Ltd	i) Company in which KMP* are interested.	i) Business Transactions	26.88	13.11	Dr. 13.77
		ii) Company in which Directors are interested.	ii) Business Transactions	60.50		Dr. 60.50
9.	Hind Biopharmaceuticals Ltd.	Company in which Directors are interested	Business Transactions	12.70	0.28	Dr. 12.42
10.	Integrated Livestock Village Farm Pvt. Ltd.	Company in which Directors are interested	Business Transactions	35.85	8.66	Dr. 27.19
11.	Aliffa Agro (India) Ltd.	i) Firm in which KMP* are interested.	Business Transactions	285.00	285.00	NIL
12.	Hind Builders Ltd.	Company in which Directors are interested	Business Transactions	39.31	NIL	Dr. 39.31
13.	Shri Sirajuddin Qureshi	i) KMP*	i) Remuneration	30.30	30.30	Nil
		ii) KMP*	ii) Rent	10.80	10.80	Nil
14.	Mrs. Kiran Qureshi	i) Relative of KMP*	i) Rent	2.50	2.65	Cr. 0.15
		ii) Relative of KMP*	ii) Rent	12.00	12.00	Nil
15.	Dr. S.K. Ranjhan	Director	Consultancy	2.64	2.64	NIL
16.	Dr. Naseem Qureshi	KMP*	Remuneration	6.90	6.90	NIL
17.	Mr. Samar Qureshi	KMP*	Remuneration	25.26	25.26	NIL

\*KMP = Key Management Personnel

### C.3 EARNING PER SHARE

	2007-2008	2006-2007
<b>Consolidated Profit after Tax</b>	<b>265.95 lacs</b>	1462.38 lacs
<b>Less : Minority Interest</b>	<b>99.30 lacs</b>	467.54 lacs
<b>Balance Profit</b>	<b>166.65 lacs</b>	994.84 lacs
Weighted No. of Shares	<b>8636240</b>	8636240
Consolidated Basic and Diluted Earning per share	<b>01.93</b>	11.52

### C.4 CONTINGENT LIABILITIES

- Claims against the Company not acknowledged as Debt :**  
Rs. Nil. (Previous Year : Rs. NIL)

**2. Guarantees and other contingencies**

(Rs. in lacs)

	As at 31st march, 2008	As at 31st march, 2008
a) Given to others	Rs. 43.18	Rs. 43.18
b) Counter Guarantees executed by Bank	Rs. 99.55	Rs. 99.55
<b>3. Bills Discounted from Banks</b>	Rs. 8047.48	Rs. 5795.07
<b>4. Income Tax Demand under appeal Not provided for</b>	Rs. 296.40	Rs. 295.16

**C.5 CONSOLIDATED SEGMENT REPORTING**
**A. Primary Segment - Geographical**

The company is in export business of meat products only, and hence, risk and returns are perceived on the basis of Geographical wise sales based on location of the customer.

Country's Name	Segment Revenue	Segment Expense	Segment Result	Inter Segment Sales	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation	Non Cash Expenditure other than Depreciation
External Sales									
AFRICAN COUNTRIES	189.61	189.49	0.12	—	0.00	—	—	—	—
	2518.64	2507.93	10.71	—	101.97	—	—	—	—
GULF COUNTRIES /	29954.23	28670.53	1283.70	—	8146.10	—	—	—	—
MIDDLE EAST	30096.81	28228.28	1868.53	—	5147.34	—	—	—	—
EUROPEAN COUNTRIES	0.00	0.00	0.00	—	0.00	—	—	—	—
	61.02	60.76	0.26	—	13.39	—	—	—	—
SOUTH EAST ASIA	11102.69	10997.88	104.81	—	1393.86	—	—	—	—
	18931.19	18316.72	614.47	—	1518.75	—	—	—	—
CIS COUNTRIES	0.00	0.00	0.00	—	0.00	—	—	—	—
	145.74	145.12	0.62	—	0.00	—	—	—	—
<b>TOTAL</b>	<b>41246.53</b>	<b>39857.90</b>	<b>1388.63</b>	<b>—</b>	<b>9539.96</b>	<b>—</b>	<b>—</b>	<b>907.84</b>	<b>—</b>
	51753.40	49258.81	2494.59	—	6781.45	—	—	868.71	—
UNALLOCABLE	5851.01	6757.58	(906.57)	—	25300.42	24705.85	—	—	—
	6108.53	6874.57	(766.04)	—	24910.91	21656.58	—	—	—
<b>TOTAL</b>	<b>47097.54</b>	<b>46615.48</b>	<b>482.06</b>	<b>—</b>	<b>34840.38</b>	<b>24705.85</b>	<b>—</b>	<b>907.84</b>	<b>—</b>
	57861.93	56133.38	1728.55	—	31692.36	21656.58	—	868.71	—

D. Additional information pursuant to the provision of paragraphs 3 & 4 of part IIInd of schedule VI to the Companies Act, 1956:

**D.1 PARTICULARS OF CAPACITY USED\***

	ITEMS	QUANTITY (MT) AS AT 31-03-2008	QUANTITY (MT) AS AT 31-03-2007
Licensed Capacity	Fresh & Frozen Meat	145000.00	145000.00
Installed Capacity	Fresh & Frozen Meat	145000.00	145000.00
Actual Production	Sheep	3147.249	3410.896
	Buffalo	45702.048	64940.959

\*As certified by the management and relied upon by the Auditors being a technical matter.

**D.2 DETAILS OF PURCHASES, SALES AND CLOSING STOCK FOR THE YEAR ENDED 31STMARCH, 2008**

Part	Opening Stock (MT)	Production (MT)	Sales (MT)	Value (Rs)	Closing Stock (MT)	Value (Rs)
Fresh	Nil	3147.249	3147.249	567666014	Nil	Nil
	(Nil)	(3410.896)	(3410.896)	(552629944)	(Nil)	(Nil)
Frozen (Buffalo)	9669.727	45702.048	46039.581	3564654812	9332.194	712505021
	(9887.974)	(64940.959)	(65159.206)	(4622709309)	(9669.727)	(642688715)

(Previous year figures are shown in brackets)

**D.3 DETAILS OF RAW MATERIAL CONSUMED**

Items	2007-2008		2006-2007	
	Qty. ( M.T.)	Value (Rs.)	Qty. (MT)	Value (Rs.)
Fresh	3267.329	367554309	3809.448	359534119
Frozen(Buffalo)	57842.230	3014143230	85958.095	3559368810

**D.4 EXPENDITURE IN FOREIGN CURRENCY**

	2007-2008	2006-2007
Travelling	Rs. 3398703	Rs. 6337834
Commission	Rs. 5908247	Rs. 25466384

**D.5 VALUE OF IMPORTS**

	For the year ended 31.03.2008 (Rs.)	For the year ended 31.03.2007 (Rs.)
Value of Imports (CIF Value)	931798	24727595

**D.6 EARNINGS IN FOREIGN CURRENCY**

	For the year ended 31.03.2008 (Rs. in lacs)	For the year ended 31.03.2007 (Rs. in lacs)
FOB Value of Export Goods	38299.52	47260.93

**E. Previous year's figures have been regrouped / restated wherever considered necessary to make them comparable with current year's figures.**

*For and on behalf of the Board**As per Report of even date attached  
For & on behalf of*

**SIRAJUDDIN QURESHI**  
Chairman & Managing Director

**DR.NASEEM QURESHI**  
Director

**R.K.GOEL**  
Chief Financial Officer

**M .K. AGGARWAL & CO**  
Chartered Accountants

**D.GUHA**  
Dy. General Manager (I.A.)  
(Finance & Accounts)

**MOHD.ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)

**SAMAR BHATIA**  
Company Secretary

**(ATUL AGGARWAL)**  
Partner  
(Membership No.99374)

PLACE : NEW DELHI  
DATE : 30/08/2008



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	For the year Ended 31.03.2008 (Rs.)	For the year Ended 31.03.2007 (Rs.)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation as per Profit & Loss Account	481.10	1,727.60
<b>ADJUSTMENTS FOR</b>		
Depreciation	889.53	776.64
Loss on Sale of Fixed Assets	1.68	—
Deferred Tax Expenses / Revenue	—	171.13
Income tax for Current Year	(26.77)	(63.86)
Income tax for Earlier Years	(0.64)	(32.66)
Fringe Benefit Tax	(20.84)	(43.67)
Preliminary Expenses	—	10.76
Interest Paid	1,544.68	1,627.01
Operating Profit Before Working Capital Changes	2,868.74	4,172.95
<b>ADJUSTMENTS FOR</b>		
Sundry Debtors	(1,251.83)	(864.41)
Inventory	(754.59)	(635.45)
Trade Receivable	(1,490.22)	(1,580.92)
Trade Payable	122.53	771.01
<b>NET CASH FROM OPERATING ACTIVITIES.....A</b>	<b>(505.37)</b>	<b>1,863.18</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(329.32)	(421.49)
Proceeds from Sale of Fixed Assets	62.59	361.54
Investments	—	5.62
<b>NET CASH USED IN INVESTING ACTIVITIES.....B</b>	<b>(266.73)</b>	<b>(54.33)</b>
<b>C) CASH FLOW FROM FINANCE ACTIVITIES</b>		
Secured Loan	595.04	(1,212.14)
Unsecured Loan	(390.63)	(383.53)
Proceeds from Borrowings	2,555.41	1,847.14
Interest paid	(1,544.68)	(1,627.01)
<b>NET CASH USED IN FINANCE ACTIVITIES.....C</b>	<b>1,215.14</b>	<b>(1,375.54)</b>
CASH FLOW DURING THE YEAR.....(A+B-C)	443.04	433.31
Cash & Cash Equivalents (Opening Balance)	718.22	284.91
Cash & Cash Equivalents (Closing Balance)	1,161.26	718.22

For and on behalf of the Board

As per Report of even date attached  
For & on behalf ofSIRAJUDDIN QURESHI  
Chairman & Managing DirectorDR.NASEEM QURESHI  
DirectorR.K.GOEL  
Chief Financial OfficerM .K. AGGARWAL & CO  
Chartered AccountantsD.GUHA  
Dy. General Manager (I.A.)  
(Finance & Accounts)MOHD.ALI SHAUKAT  
Dy. General Manager  
(Finance & Accounts)SAMAR BHATIA  
Company Secretary(ATUL AGGARWAL)  
Partner  
(Membership No.99374)PLACE : NEW DELHI  
DATE : 30/08/2008





## HIND INDUSTRIES LIMITED

Registered Office: A-1, Okhla Industrial Area, Phase-I, New Delhi-110 020

### ATTENDANCE SLIP

L.F. No. : \_\_\_\_\_ No. of Shares Held : \_\_\_\_\_

DP/CLIENT ID : \_\_\_\_\_

Name(s) in full	Fathers/Husband's Name	Address as Regd. with the Company/DP
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

I/We hereby record my/our presence at the 35th ANNUAL GENERAL MEETING of the Company held on Tuesday, 30th September, 2008 at 9.30 AM at Seble Hall, Main Mathura Road, Badarpur, New Delhi-110 044

**SIGNATURE OF THE ATTENDING MEMBER/PROXY**

THIS ATTENDANCE SLIP, DULY FILLED IN, IS TO BE HANDED OVER AT THE REGISTRATION COUNTER.  
(The entrance for the shareholder shall be open one hour before the time of meeting.)

**TEAR HERE**



## HIND INDUSTRIES LIMITED

Registered Office: A-1, Okhla Industrial Area, Phase-I, New Delhi-110 020

### PROXY FORM

I/We, being a member/members of Hind Industries Limited hereby appoint \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the 35th Annual General Meeting of the Company to be held on Tuesday the 30th day of September, 2008 at 9.30 A.M. at Seble Hall, Main Mathura Road, Badarpur, New Delhi-110 044 and any adjournment thereof.

L.F. No. : \_\_\_\_\_ No. of Shares Held : \_\_\_\_\_

DP/CLIENT ID : \_\_\_\_\_

Name(s) in full	Fathers/Husband's Name	Address as Regd. with the Company/DP
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Signature of Shareholder (s)

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Signature of Proxy (s)

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

**Affix one  
Rupee  
Revenue  
Stamp.**

#### **NOTE:**

- The Proxies in order to be effective should be duly stamped, complete, signed and must be reached at the Registered Office of the Company at least 48 hours before the time fixed for holding the aforesaid meeting.
- Proxy need not be a member of the Company.
- Proxy can not speak at the meeting or vote on show of hands.

**35th Annual Report  
2007 - 2008**



***HIND INDUSTRIES LIMITED***

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