

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON WEDNESDAY, THE 30TH DAY OF SEPTEMBER, 2009, AT 9.30 A.M. AT SEBLE HALL, MAIN MATHURA ROAD, BADARPUR, NEW DELHI- 110044, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009, 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 Mr. B. B. Huria, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare final dividend, if any, on the Equity Shares.
4. 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:

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 Section 81(1A) and all other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange where the securities of the Company are listed and subject to any guidelines, regulations, approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or Bodies (hereinafter collectively referred to as “the appropriate authorities”), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as “the requisite approvals”), which may be agreed to by the Board of Directors of the Company (hereinafter called “the Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorised to issue, offer and allot equity shares to be subscribed by foreign investors / institutions and / or corporate bodies, mutual funds, banks, insurance

companies, trusts and / or individuals or otherwise, whether or not such persons / entities / investors are Members of the Company, whether in Indian currency or foreign currency. Such issue and allotment shall be made at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion think fit or in consultation with the Lead Managers, Underwriters, Advisors or other intermediaries; provided however that the issue of Securities as above shall not result in increase of the issued and subscribed equity share capital of the Company by more than the Authorised Share Capital of the Company.”

“Resolved further that the Company is also entitled to enter into and execute all such arrangements as the case may be with any lead managers, managers, underwriters, bankers, financial institutions, solicitors, advisors, guarantors, depositories, custodians and other intermediaries in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or payment of their remuneration for their services or the like, and also to seek the listing of such Securities on one or more Stock Exchanges.”

“Resolved further that for the purpose of giving effect to any issue or allotment of Securities as described above, the Board or any Committee thereof be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and depository arrangement and institution / agents and similar agreements and to remunerate the Managers, underwriters and all other agencies / intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of securities, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.”

“Resolved further that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or the Chairman and Managing Director or any other Officer or Officers of the Company to give effect to the aforesaid resolution.”

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

PLACE: NEW DELHI
DATE: 13.8.2009

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, 21st September, 2009 to Wednesday, 30th September, 2009 (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 demateriali-zed 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 Numbers 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 Annual General Meeting.

EXPLANATORY STATEMENT

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

ITEM NO. 5

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 shareholding in the Company.

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

PLACE: NEW DELHI
DATE: 13.8.2009

SAMAR BHATIA
Company Secretary

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

Name	Mr. B. B. Huria
Age	65 Years
Qualification	B.Sc., Delhi University, M.S. (Mechanical Engg.), Diploma in Russian – English Translation & Interpretation, Peoples' Friendship University, Moscow.
Expertise	Mr. B. B. Huria is an Ex. Chief General Manager of the IFCI Ltd., the premier Financial Institution of India. He has more than four decades of rich experience in various aspects of finance, banking, audit and administration. He has been to 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.
Other Directorships	Hind Agro Industries Ltd. Agro Dutch Industries Ltd.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Sixth 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, 2009.

Financial Results:

The Financial Highlights of the Company for the financial year ended on March 31, 2009 are as under:

Particulars	(Amount in Lac Rs.)	
	2008-09	2007-08
Sales	11796.10	9879.94
Other Income	143.72	78.80
Profit before Depreciation, Interest and Tax {PBDIT}	1297.30	943.98
Profit/(Loss) before Taxes {PBT}	304.39	236.30
Profit/(Loss) after Taxes {PAT}	154.21	37.36
Surplus/(Deficit) of Previous Year	—	—
Surplus/(Loss) Carried to Balance Sheet	4322.22	4218.53

Performance:

During the financial year 2008-09, Company has achieved Total Turnover of Rs.117.96 Crores as against Rs.98.80 Crores in the previous year 2007-08, thereby showing an increase of 19.39%. The Profit before tax (PBT) of the Company during the financial year 2008-09 stood at Rs.3.04 Crores as against Rs.2.36 Crores in the previous financial year 2007-08, which is an increase by around 28.81%. The Profit after tax (PAT) of the Company during the financial year 2008-09 stood at Rs.1.54 Crores as compared to Rs.0.37 Crores in the previous year mainly due to the amount of Deferred Tax Asset.

The Company has made a good progress in the first quarter of this current financial year 2009-10 and has achieved a turnover of around 28.74 Crores in the said quarter ended on 30th June, 2009.

Your Directors are pleased to inform you that the Company is regular as on 31st March, 2009, 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 increased in comparison to the corresponding financial year. The profitability has been favorably increased mainly due to the depreciation of

Indian 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.), had achieved Total Sales Turnover & Other Income of Rs.638.37 Crores in the Financial Year 2008-09 and Profit after taxes (PAT) of Rs.4.66 Crores, as compared to the Total Sales Turnover & Other Income of Rs. 363.11 Crores and the Profit after taxes (PAT) of Rs. 2.29 Crores in the previous year 2007-08. 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, 2009 are attached herewith for your perusal.

Dividend:

The company has already declared and paid an Interim Dividend @5% for the Financial Year 2008-09, in the month of October, 2009 and now in view of current financial year slow down, 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 expansion and growth. Hence, no final dividend is being recommended for the Financial Year ended on 31st March, 2009 and the Board sought your approval for treating the said Interim Dividend as Final Dividend for the Financial Year 2008-09.

Current year's outlook:

Your Company is expected to improve further and consolidate its operations in the ongoing financial year i.e.2009-10, by making increase in volumes, reduce financial and other costs, monitoring and controlling a better mix of its products and markets towards achieving the better top and bottom lines in the years to come.

The Company has already obtained necessary license for the High Security Registration Number Plate (HSRNP). The said project at Baddi, in the State of Himachal Pradesh is in progress and the company is applying for tenders in various states. After the recent directives by the Honble' Supreme Court it is now mandatory for the Centre and State Governments to

implement the HSRNP system within six month. In view of this verdict the company is hopeful of getting the tenders from various State Governments where the company has submitted its bids.

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 form part of this Annual Report.

Deposits:

The 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.

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 the 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 2009-10, 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's (SEBI) 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:

In accordance with the provisions of section 256 of the Companies Act, 1956 and Article No. 147 of the Articles of Association of the Company, Mr. B. B. Huria, Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting of the company and being eligible, offers himself for the re-appointment.

The Board recommends the re-appointment of Mr. B. B. Huria, Director at the forthcoming Annual General Meeting of the company.

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 2008-09, are explained and clarified as under:

-Explanation to Point No. 4 of the Auditor's Report and Point No. C.8 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 the Companies (particulars of employees) rules 1975 is mentioned below:-

Name of the Employee	Designation	Qualification	Age	Remuneration	Experience	Date of employment	Previous employment
Mr. Sirajuddin Qureshi	Chairman & Managing Director	BA, LLB	61 years	3,48,926/-	32 years	06.08.1993	Not Applicable
Mr. Anil Vanjani	Chief Executive Officer	CA, CS, ICWA, LLB	46 years	5,83,393/-	22 years	02.02.2009	Luxor Writing Instruments Pvt. Ltd.

- Remuneration received includes salary, commission and other allowances, perquisites etc.
- The salary of the Chairman & Managing Director is as per the special resolution passed by the shareholders in the 35th 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, 2009, the applicable Accounting Standards has been followed along with proper explanations relating to the material departures;
- (ii) that the Directors has 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 has 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 has prepared the Accounts for the Financial Year ended 31st March, 2009, 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: 13.8.2009

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 revamped 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
a) Purchased units (KWH)	—	—
Total amount (Rs.)	—	—
Average rate/unit (Rs.)	—	—
b) Own generation through diesel generator set		
Units of electricity	46,60,191	43,85,893
Total cost (Rs.)	4,19,12,000/-	3,52,92,068/-
Cost per unit of electricity (Rs.)	8.99	8.05
c) Furnace Oil		
Ltrs	80,000	4,68,000
Cost in Rs.	13,50,817/-	69,74,750/-
Rate / Litre (Rs.)	16.89	14.90
d) High Speed Diesel Oil		
Ltrs	4,35,633	Nil
Cost in Rs.	1,33,20,406/-	Nil
Rate / Litre (Rs.)	30.58	Nil

Consumption per unit of production:
Fresh & Frozen Meat:

(Per K.G.)

Particulars	Current Year	Previous Year
Energy (in Units)	0.607	0.570

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:

During the year under review, steps are being taken for 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.)	Nil	Nil
b) Revenue (Rs.)	Nil	3,735
c) Total (Rs.)	Nil	3,735
d) Total R&D expenses as a percentage of total Turnover	Nil	0.0003

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.97,69,04,158/-** (FOB Value) during the financial year 2008-09 (Previous year Rs.80,31,51,005/-), 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: 13.8.2009

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. The Government is playing 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.2008-09), as compared to the previous year (i.e.2007-08), there has been slight decrease in the Total Production and increase in the Sales Value made by the Company.

2.1 PRODUCTION AND CAPACITY UTILISATION

Production achieved during the year under review, was 7676.401 M.T. as compared to 7680.852 M.T. during the previous year, which shows a downfall of around 0.07% over the previous year. The capacity utilization as a percentage of installed capacity is also decreased from 30.72% to 30.70% over the same period.

2.2 SALES TURNOVER

The Company managed to achieve a Sales of Rs. 117.96 Crores during the year 2008-09, as compared to Rs. 98.80 Crores during the previous year 2007-08. 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 70% during the year under review as compared to 64% in the previous year. The Consumption of Utilities and Packing Material Cost to Sales decreased to 1.26% in the year 2008-09, from 1.36% in the year 2007-08.

3.2 Interest Cost

The Financial Cost in the year 2008-09 was at Rs.7.27 Crores as against Rs.4.39 Crores in 2007-08.

4. OPPORTUNITIES AND THREATS

4.1 OPPORTUNITIES

- With the conversion of your Company from 100% Export Oriented Unit to Domestic Tariff Area, new area of domestic business have opened for the Company.
- 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 a significant 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

- 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.
- The increase in the rate of INR (Indian Rupee) in comparison with the USD (US Dollar) is the primary concern as the company is billing to its overseas customers in USD.

5. FUTURE PROJECTS

The Company has obtained necessary license 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. With the recent directive issued by Hon'ble Supreme Court to the Centre and State Governments, your Company is hopeful that the work on High Security Registration Plate will start soon.

Your Subsidiary Company, M/s Hind Agro Industries Limited bagged work order from Chennai Municipal Corporation for constructing, operating and maintaining of Modern Slaughter House at Perambur, Chennai on Design, Build, Operate and Transfer (DBOT) basis and is also expecting work order for construction, operation and maintenance of Modern Slaughter House at Salempur Patora, Lucknow on Turn Key Basis.

6. OUTLOOK

What started out as a sub-prime crisis triggered by a housing-bubble in August 2007, transformed into a financial crisis by September 2008 and finally spilled over to real economy

last year. The massive de-leveraging in financial markets has culminated in one of the worst economic contractions in history. IMF forecasts global GDP to decline by 1.3% in 2009-10 the deepest recession post World War-II, with high income countries declining by 3.8% and growth in developing countries slowing down to 1.6%. The Indian economy is expected to grow between 4.5% and 5.5% in FY 2009-10. Declining prices and consumer demand are expected to affect agriculture with indications of lower acreage planned for 2009. World trade too is expected to fall 9% in volume terms in 2009. Overall, while 2008 was a challenging year for business given the extreme volatility and supply side restriction, 2009 is likely to present challenges due to weakening demand.

7. RISKS AND CONCERNS

With the recent slow down and recession in the world economy, the Export is affected and declining. Moreover, meat has always been prone to national and international disturbances. The situation 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

As an intrinsic part of the overall Governance process, the Company has in place a well established Internal Audit which covers all aspects of financial and operational controls.

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. 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 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. 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 OF DIRECTORS

PLACE : NEW DELHI
DATE: 13.8.2009

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 2008-2009, 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, 61 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, 59 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, 45 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, 62 years, Senior Advocate, is engaged in his practice of advocacy since 1973. He regularly appears before the Supreme Court, 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, 65 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. Dinesh Sharma, 56 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 seven times during the last Financial Year (i.e. 2008-09). The meetings were held on 29th April, 2008, 23rd July, 2008, 30th August, 2008, 30th September, 2008, 27th October, 2008, 28th January, 2009 and 06th February, 2009. 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, Chairmanships/ Memberships of the Committees, outside directorships of each Director are as under:

Name	Category	Attendance		Committee Membership/ Chairmanship *		No. Of Outside Director ships#
		Board Meeting	Annual General Meeting	Committee Membership	Chairmanship	
Mr. Sirajuddin Qureshi	Chairman & Managing Director	7	Yes	1	1	4
Mrs. Kiran Qureshi	Non-Executive	LOA	No	Nil	Nil	3
Dr. Naseem Qureshi	Non-Executive	LOA	No	Nil	Nil	2
Mr. B. B. Huria	Independent	7	Yes	3	Nil	2
Mr. B. B. Gupta	Independent	7	Yes	2	2	Nil
Mr. Dinesh Sharma	Independent	5	No	2	Nil	1

*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 31.03.2009)

S. No.	Name of the Director	No. of Equity Shares of Rs.10/- each
1	Mr. Sirajuddin Qureshi	4,18,750
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. Dinesh Sharma	Nil

Re-appointment of Director

Mr. B. B. Huria, Director shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. His brief resume has been provided in the Notice.

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 2008-09

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 2008-09."

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

PLACE: NEW DELHI
DATE: 13.8.2009

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.

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 2008-09, the Committee met five times on 29th April, 2008, 23rd July, 2008, 30th August, 2008, 27th October, 2008 and 28th January, 2009. The attendance of the members of the Committee in the meetings is as under:

Name	No. of Meetings during the Year (2008-09)	
	Held	Attended
Mr. B. B. Gupta	5	5
Mr. B. B. Huria	5	5
Mr. Dinesh Sharma	5	4

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 2008-09, have been accepted by the Board of Directors.

(B) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Composition

During the year under review, the Grievance

<i>Nature of Complaints</i>	<i>No. of Complaints Received</i>	<i>No. of Complaints Redressed</i>	<i>No. of Complaints Pending</i>
With regard to non receipt of dividend.	2	2	Nil
With regard to share transfer, transmission, transposition and demat.	2	2	Nil
With regard to non-receipt of Annual Report.	2	2	Nil
With regard to payment of allotment money.	2	2	Nil
Total	8	8	Nil

(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

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, Mr. B. B. Huria and Mr. Dinesh Sharma are the members of the committee.

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.

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.

Meetings during the year

During the year 2008-09, the committee met once on 30th August, 2008 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:

- 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.

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 2008-09, the committee met once on 30th August, 2008 and all the members attended the meeting. The Committee discussed the matter of re-appointment of Chairman & Managing Director for a period of Three Years w.e.f. 06th August, 2008 to 05th August, 2011.

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, 2009 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/-	13,50,000/-	9,360/-	3,39,286/-

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 is also a Director on the Board of Directors of the Subsidiary Company.

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.

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
33 rd AGM	30.09.2006	9.30 A.M.	Seble Hall, Main Mathura Road, Badarpur, New Delhi-110044
34 th AGM	29.09.2007	9.30 A.M.	Same as above.
35 th AGM	30.09.2008	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 21st March, 2009 completed a process of Postal Ballot and passed a special resolution to the effect of altering its Memorandum of Association by modifying existing object no.3 and addition of 2 new object nos.7 and 8 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 a 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 21 of the annual accounts with the Company for the year ended on 31st March, 2009.

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 Bombay Stock Exchange Ltd.
- (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 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 30th, 2009
DAY : Wednesday
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, 2009 : July, 2009
Quarter ending September 30, 2009 : October, 2009
Quarter ending December 31, 2009 : January, 2010
Quarter ending March 31, 2010 : April, 2010

(c) DATE OF BOOK CLOSURE

Monday, the 21st September, 2009 to Wednesday, the 30th September, 2009 (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 2008-2009)

The monthly high/low prices and volume of shares of the company traded on BSE from April, 2008 to March, 2009 are given below:

MONTH & YEAR	OPEN RS.	HIGH RS.	LOW RS.	CLOSE RS.	NO. OF SHARES	NO. OF TRADES
April 08	21.50	24.40	18.90	23.45	29733	297
May 08	22.00	23.00	17.15	19.00	41617	365
June 08	19.85	19.85	14.30	15.55	23645	190
July 08	15.00	20.80	13.20	17.95	26668	247
August 08	17.85	21.65	16.70	18.45	23043	222
Sept. 08	18.25	19.80	13.25	14.00	34968	269
Oct. 08	14.75	16.62	11.16	13.57	50322	240
Nov. 08	13.57	14.99	10.00	13.00	39528	179
Dec. 08	13.59	14.00	10.75	12.78	28976	163
Jan. 09	13.95	16.50	11.01	12.50	18302	123
Feb. 09	12.06	14.74	11.08	12.57	8437	117
March 09	11.60	12.55	10.30	12.55	30811	155

Source: 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

(UNIT : HIND INDUSTRIES LTD.)
246, 1ST FLOOR, SANT NAGAR,
MAIN ISCON TEMPLE ROAD,
EAST OF KAILASH,
NEW DELHI – 110065

(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, 2009:
(A) SHAREHOLDING PATTERN

Category	No. of Shares	% of Total
Promoters	3577200	41.42
Directors & Relatives	101450	1.17
Financial Institutions	532518	6.17



Category	No. of Shares	% of Total
Nationalized Banks	200	0.00
Mutual Funds	10100	0.12
Bodies Corporate	471043	5.45
Indian Public	3855819	44.65
NRI's/OCB's	87910	1.02
Total	8636240	100.00

(B) DISTRIBUTION OF SHAREHOLDING

Slab	Shareholders		Shares Held	
	No.	Percentage	No.	Percentage
Upto 500	7769	93.04	989926	11.46
501-1000	285	3.41	228048	2.64
1001-2000	131	1.57	199993	2.32
2001-3000	36	0.43	91382	1.06
3001-4000	20	0.24	69491	0.80
4001-5000	22	0.26	101807	1.18
5001-10000	27	0.32	189354	2.19
10001 and above	60	0.72	6766239	78.35
Total	8350	100.00	8636240	100.00

(k) LIQUIDITY AND DEMATERIALISATION 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 50,17,956 nos. of equity shares as on 31st March, 2009 and 50,23,403 nos. of shares upto 31st July, 2009 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: N.A**(m) PLANT LOCATION**

HIND INDUSTRIES LIMITED
B-42, Site IV,
Sahibabad Industrial Area,
Distt. Ghaziabad, (U.P.) – 201010.

Phone: 0120-2895342

Fax: 0120-2895341

(n) ADDRESS FOR CORRESPONDENCE**HIND INDUSTRIES LIMITED**

Registered Office: A-1, Phase-I,

Okhla Industrial Area,

New Delhi-110020.

Phone: 011-26372786 (7 Lines).

Fax: 011-26817941-42.

E-mail: info@hind.in

ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : NEW DELHI

DATE: 13.8.2009

SIRAJUDDIN QURESHI

CHAIRMAN & MANAGING DIRECTOR

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

To the Members of Hind Industries Limited,

We have examined the compliance of Corporate Governance by The Hind Industries Limited, for the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of

Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and Share Transfer Agent of the Company have maintained records to show Investors' Grievances against the Company and have certified that as on 31st March, 2009, there were no investor grievances remaining unattended/ pending for a period exceeding one month.

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

**For and on behalf of
M. K. Aggarwal & Co.
Chartered Accountants**

PLACE : NEW DELHI
DATE : 13.8.2009

ATUL AGGARWAL
PARTNER
(M.NO.99374)

AUDITORS' REPORT

To

**The Members of
HIND INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of HIND INDUSTRIES LIMITED as at March 31, 2009 and the Profit and Loss account and also the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure hereto, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Provision for Sundry Debtors pending adjustment. (Refer Note C.8 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 account as required by law have been kept by the

Company, so far as appears from our examination of those books;

- iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
- v. On the basis of the written representations received from the Directors of the Company, as on March 31st, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31st, 2009 from being appointed as a Director in terms of Section 274(1)(g) 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 read together with significant accounting policies and subject to other notes give the information as 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 Company as at 31st March, 2009;
 - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash Flow of the company for the year ended on that date.

For M.K.AGGARWAL & CO.
Chartered Accountants

ATULAGGARWAL
PARTNER
(M. NO. 99374)

PLACE : NEW DELHI
DATE : 13.08.2009

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 off 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 record 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 total amount outstanding at the year end is Rs. 2675.74 lakhs from two 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 not taken any fresh loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- 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 nature of its business for the purchase of the inventory, fixed assets and for 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, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Central Sales Tax, Cess and other material statutory dues applicable to it, have generally been regularly deposited with the appropriate authorities except a sum of Rs. 8.80 lakhs payable to Income Tax Department in view of disputed claims.
- 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 of more than six months from the date they became payable.
- X) The Company does not have any accumulated losses at the 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 investment.
- 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 prima-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 purpose 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 any 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)

PLACE : New Delhi

DATE : 13.8.2009

Partner

(M. No. 99374)

**BALANCE SHEET AS AT MARCH 31, 2009**

PARTICULARS	SCHEDULE	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
I. SOURCES OF FUNDS			
1 Shareholders' Funds			
a) Share Capital	1	89591200	89591200
b) Reserves & Surplus	2	511336479	500996752
2 Loan Funds			
a) Secured	3	542942781	554448815
b) Unsecured		0	10445386
3 Deferred Tax Liabilities			
		62939548	58781739
TOTAL		1206810008	1214263892
II. APPLICATION OF FUNDS			
1 Fixed Assets			
a) Gross Block	4	562081904	565398043
b) Less : Depreciation		249753099	226588554
c) Net Block		312328805	338809489
d) Capital Work in Progress	5	32564211	31913808
Total Assets		344893016	370723297
2 Investment			
	6	187500000	187500000
3 Current Assets, Loans & Advances			
a) Inventories	7	241571601	193257795
b) Sundry Debtors	8	271804796	279100143
c) Cash and Bank Balances	9	17212942	27219826
d) Loans and Advances	10	361383701	239242542
		891973039	738820306
Less : Current Liabilities & Provisions			
Current Liabilities	11	183153036	55119075
Provisions	12	34403011	27660636
		217556047	82779711
Net Current Assets		674416992	656040595
TOTAL		1206810008	1214263892
Significant Accounting Policies & Notes to Account forming part of the Accounts	21		

*For and on behalf of the Board**As per our report of even date attached
For & on behalf of*SIRAJUDDIN QURESHI
Managing DirectorDR.NASEEM QURESHI
DirectorANIL VANJANI
Chief Executive OfficerM.K.AGGARWAL & CO.
Chartered AccountantsR.K. GOEL
Chief Financial OfficerMOHD. ALI SHAUKAT
Dy. General Manager
(Finance & Accounts)SAMAR BHATIA
Company SecretaryATUL AGGARWAL
Partner
Membership No. 99374

PLACE : NEW DELHI

DATE : 13.8.2009

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD
ENDED MARCH 31, 2009**

PARTICULARS	SCHEDULE	For the Year ended 31.03.2009 (Rs.)	For the Year Ended 31.03.2008 (Rs.)
INCOME			
Sales	13	1179610466	987993883
Other Income	14	14371713	7879857
Increase/(Decrease) in Stocks	15	48350244	17504616
		<u>1242332423</u>	<u>1013378356</u>
EXPENDITURE			
Manufacturing Expenses	16	936314879	715434783
Payment to & Provision for Employees	17	18369977	17386719
Administrative & Other Expenses	18	17181434	11978092
Selling , Distribution & Other Expenses	19	140736400	174180767
Financial Expenses	20	72684432	43990715
Depreciation	4	26605949	26776882
TOTAL		<u>1211893071</u>	<u>989747957</u>
PROFIT / (-) LOSS BEFORE TAXATION		30439352	23630400
i) Previous Year Expenses		0	46750
ii) Tax for the Year		10346336	2777128
iii) Fringe Benefit Tax		514689	380000
iv) Deferred Taxes		4157809	16690739
PROFIT / (-) LOSS AFTER TAX		15420518	3735782
i) Dividend Paid		4318120	0
ii) Dividend Tax		733865	0
PROFIT / (-) LOSS AFTER DIVIDEND		10368533	3735782
Balance brought forward		421853497	418117714
Surplus Carried to Balance Sheet		<u>432222030</u>	<u>421853496</u>
Earning per Share		1.79	0.43
Significant Accounting Policies & Notes to Account forming part of the Accounts	21		

For and on behalf of the Board

As per our report of even date attached
For & on behalf ofSIRAJUDDIN QURESHI
Managing DirectorDR.NASEEM QURESHI
DirectorANIL VANJANI
Chief Executive OfficerM.K.AGGARWAL & CO.
Chartered AccountantsR.K. GOEL
Chief Financial OfficerMOHD. ALI SHAUKAT
Dy. General Manager
(Finance & Accounts)SAMAR BHATIA
Company SecretaryATUL AGGARWAL
Partner
Membership No. 99374PLACE : NEW DELHI
DATE : 13.8.2009

**SCHEDULES ANNEXD TO AND FORMING PART
OF THE BALANCE SHEET AS AT MARCH 31, 2009**

	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - '1' SHARE CAPITAL :		
Authorised		
1,60,00,000 (Previous year 1,60,00,000) Equity Shares of Rs.10 each	<u>160000000</u>	<u>160000000</u>
Issued, Subscribed & Paid - Up		
8636240 (Previous year 8636240) Equity Shares of Rs. 10 each fully paid up	<u>86362400</u>	<u>86362400</u>
Out of the above:		
1. 990 (Previous year 990) Equity Shares are allotted as fully paid up pursuant to a contract without payment received in cash.		
2. 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.	<u>3228800</u>	<u>3228800</u>
TOTAL	<u><u>89591200</u></u>	<u><u>89591200</u></u>
SCHEDULE - '2' RESERVE & SURPLUS		
REVALUATION RESERVE		
Balance as per last Balance Sheet	<u>1641959</u>	<u>1670765</u>
Less : Amortization of land	<u>28806</u>	<u>28806</u>
	<u>1613153</u>	<u>1641959</u>
Securities Premium Account	<u>74272496</u>	<u>74272496</u>
Capital Reserve	<u>3228800</u>	<u>3228800</u>
GENERAL RESERVE		
Balance as per last Balance Sheet	<u>421853497</u>	<u>418117714</u>
Add: Transferred from Profit & Loss A/C.	<u>10368533</u>	<u>3735783</u>
TOTAL	<u><u>432222030</u></u>	<u><u>421853497</u></u>
	<u><u>511336479</u></u>	<u><u>500996752</u></u>

**SCHEDULES ANNEXD TO AND FORMING PART
OF THE BALANCE SHEET AS AT MARCH 31, 2009**

	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - '3' SECURED LOANS :		
From the Industrial Finance Corporation of India Ltd. (IFCI)		
IFCI Loan - 12.50%	80500000	126500000
IFCI Loan - (Interest Free)	16170000	25410000
(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).		
Liability under IFCI Restructuring Account* (Refer Note No.C.10)	22332901	35094557
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 Guarantee of M/s. Islamuddin & Co.)	159908556	142000000
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.)	261514841	216563597
DEFERRED PAYMENT CREDIT	2516483	8880661
Against purchase of vehicles secured by Hypothecation of vehicles, D.G Set. Repayable with in one year Rs. 2281735/- (Previous year Rs. 5163200/-)		
TOTAL	542942781	554448815

SCHEDULES ANNEXD TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009
Schedule - " 4 " - Fixed Assets

Details / Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at April 01, 2008	Additions During the year	Deductions During the year	Total as at March 31, 2009	As at April 01, 2008	For the year	Deductions During the year	Total as at March 31, 2009	As at March 31, 2008	
Leasehold Land	3105460.00	—	—	3105460.00	745310.00	41406.00	—	786716.00	2360150.00	
Factory Building	63582714.00	—	—	63582714.00	26344273.00	2123662.66	—	28467935.66	37238441.00	
Plant & Machinery	456440824.00	1191666.00	—	457632490.00	178039352.00	21699396.44	—	199738748.44	278401472.00	
Furniture & Fixture	24665467.00	83830.00	—	24749297.00	12038392.00	1563145.74	—	13601537.74	12627075.00	
Office Equipment	3416789.00	128382.00	—	3545171.00	1479099.00	152385.61	—	1631484.61	1937690.00	
Vehicle	10895119.55	—	4833986.00	6061133.55	6872565.00	716686.75	(3470209.80)	4119041.95	4022554.55	
Truck	2632990.00	—	—	2632990.00	516064.21	297791.17	—	813855.38	2116925.79	
Computers	640684.00	113970.00	—	754654.00	535504.00	40280.54	—	575784.54	105180.00	
Electrical Equipments	17995.00	—	—	17995.00	17995.00	—	—	17995.00	—	
Total	565398042.55	1517848.00	4833986.00	562081904.55	226588554.21	26634754.91	(3470209.80)	249753099.32	312328805.23	338809488.34
Previous year	564033547.00	5579709.00	4215213.00	565398043.00	203479598.00	26770370.00	3661415.00	226588554.00	338809489.00	360553949.00

**SCHEDULES ANNEXD TO AND FORMING PART
OF THE BALANCE SHEET AS AT MARCH 31, 2009**

	AS AT 31.03.2009 (Rs.)		AS AT 31.03.2008 (Rs.)	
SCHEDULE - '5' CAPITAL WORK IN PROGRESS				
Opening work in progress - HSRP	23923007		23923007	
Additions during the year	<u>0</u>	<u>23923007</u>	<u>0</u>	<u>23923007</u>
Opening bal. : Expenses incurred on HSRP project	5728463		4801199	
Additions during the year	<u>650403</u>	<u>6378866</u>	<u>927264</u>	<u>5728463</u>
Opening bal. : Expenses incurred on Salboni project	2262338		952450	
Additions during the year	<u>0</u>	<u>2262338</u>	<u>1309888</u>	<u>2262338</u>
TOTAL		<u>32564211</u>		<u>31913808</u>
SCHEDULE - '6' INVESTMENT (AT COST)				
A) EQUITY SHARES, UNQUOTED				
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)		187500000		187500000
TOTAL		<u>187500000</u>		<u>187500000</u>
CURRENT ASSETS, LOANS AND ADVANCES				
SCHEDULE -'7'				
INVENTORIES				
Finished goods (As valued, taken & Certified by the Management)		240786222		192435978
Packing Material .		785379		821817
TOTAL		<u>241571601</u>		<u>193257795</u>
SCHEDULE -'8'				
SUNDRY DEBTORS				
Over Six Months - Considered Goods	12378913		38589635	
Over Six Months - Considered Doubtful	4000000		4000000	
Other Debts - Considered Goods	<u>259425883</u>		<u>240510508</u>	
	275804796		283100143	
Less : Provision for Doubtful Debts.	<u>4000000</u>		<u>4000000</u>	
TOTAL		<u>271804796</u>		<u>279100143</u>

**SCHEDULES ANNEXD TO AND FORMING PART
OF THE BALANCE SHEET AS AT MARCH 31, 2009**

	AS AT 31.03.2009 (Rs.)		AS AT 31.03.2008 (Rs.)	
SCHEDULE - '9'				
CASH AND BANK BALANCES :				
Cash in hand	<u>119820</u>		<u>2671923</u>	
Balance with Scheduled Banks:				
i) Current Account	2612208		2448023	
ii) FDR'S with Banks	<u>14480914</u>	<u>17212942</u>	<u>22099880</u>	27219826
(Including interest accrued on FDR)				
TOTAL	<u><u>17212942</u></u>		<u><u>27219826</u></u>	
SCHEDULE - '10'				
LOANS & ADVANCES				
Advances recoverable in cash or in kind or for value to be received , un secured				
Considered good	360308123		237474437	
Considered Doubtful	<u>5600000</u>		<u>5600000</u>	
	365908123		243074437	
Less : Provision for Doubtful	<u>5600000</u>	<u>360308123</u>	<u>5600000</u>	237474437
Advance Tax (A.Y. 2006-07)	0		1000000	
Tax Deducted at Source	1075578		768105	
TOTAL	<u><u>361383701</u></u>		<u><u>239242542</u></u>	
CURRENT LIABILITIES & PROVISIONS				
SCHEDULE - '11'				
CURRENT LIABILITIES				
Sundry Creditors	59656507		38632047	
Other Liabilities	122052194		15871181	
Interest Accrued but not due	1444335		615847	
TOTAL	<u><u>183153036</u></u>		<u><u>55119075</u></u>	
SCHEDULE - '12'				
PROVISIONS				
Provision for Staff - Welfare Scheme	16274751		13125197	
Provision for Taxation	18128260		14535439	
TOTAL	<u><u>34403011</u></u>		<u><u>27660636</u></u>	

SCHEDULES ANNEXD TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	For the Period Ended 31.03.2009 (Rs.)	For the Period Ended 31.03.2008 (Rs.)
SCHEDULE - "13" SALES		
Export Sales	1127755165	943324728
Domestic Sales	51855301	44669155
TOTAL	1179610466	987993883
SCHEDULE - "14" OTHER INCOME		
IFCI Liability Written Back.	12761656	6380828
Interest on FDR / Margin Money	1561650	1487499
Misc. Income	48407	11530
TOTAL	14371713	7879857
SCHEDULE - "15" INCREASE/(DECREASE) IN STOCKS		
Closing Stock	240786222	192435978
Opening Stock	192435978	174931362
TOTAL	48350244	17504616
SCHEDULE - "16" MATERIALS CONSUMED & MANUFACTURING EXPENSES		
Raw Material Consumed	830909133	632459802
Consumable Stores Consumed	4127762	3724356
Packing Material Consumed	10714310	9740654
Power and Fuel	56596765	42286688
Repairs & Maintenance:-		
Plant & Machinery	9648880	7919683
Building	1335097	1808940
Others	354491	93474
Wages	16718489	14834810
Worker's Welfare Expenses	823470	370112
Insurance	542678	515337
Vehicle running & Maintt.	3732684	911737
Freight Inward	92065	58657
Security Charges	719056	710533
TOTAL	936314879	715434783
SCHEDULE - "17" EMPLOYEES REMUNERATION & BENEFITS		
Salaries, Wages & Other Benefits	16688169	15761306
Contribution to Provident Fund	1681808	1625413
TOTAL	18369977	17386719

**SCHEDULES ANNEXD TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

	For the Period Ended 31.03.2009 (Rs.)	For the Period Ended 31.03.2008 (Rs.)
SCHEDULE - "18" ADMINISTRATIVE & OTHER EXPENSES		
Rent	5044896	2205200
Vehicle Running & Maintenance	1241452	598465
Travelling & Conveyance	893971	1148269
Rates, Taxes, Subscription and Fees	928702	347529
Printing & Stationery	833006	672169
Audit Fee	665360	533140
Certification Charges	145300	121172
Legal & Professional Charges	2113486	1802284
Insurance Expenses	1392487	1426815
Postage Expenses	255708	260284
Telephone Expenses	1349924	1184133
Misc. Expenses	2317141	1678631
TOTAL	17181434	11978092
SCHEDULE - "19" SELLING, DISTRIBUTION & OTHER EXPENSES		
Freight, Clearing & Forwarding Charges	138624153	173610005
Business Promotion Expenses	2112247	570762
TOTAL	140736400	174180767
SCHEDULE - "20" FINANCIAL EXPENSES		
Interest on Term Loans	15248517	19067626
Interest on Working Capital, Bank Interest & Charges	57435915	24923089
TOTAL	72684432	43990715

SCHEDULE- 21

Notes forming part of Accounts as at 31st March, 2009

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 in 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 impairments 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.
- iv) **Expenditure:** The duty credit scrip benefit under Vishesh Krishi and Gram Udyog Yojna (VKGUY), 2008 has been reduced from freight and forwarding expenses on its realisable value.

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 Tax, Wealth Tax 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 31-03-2009	PREVIOUS YEAR As at 31-03-2008
a) Given to Subsidiary		
For Term Loan	1913.60	2870.81
For Working Capital	5230.00	3475.00
b) Given to others	43.18	43.18
B.3 Income Tax demands under appeal not provided for	8.80	296.40

C.1 As the company's business activity falls within a single business segment viz. "Meat Products", the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

C.2.A RELATED PARTY DISCLOSURES

S.NO.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Debit Rs. in lacs	Credit Rs. in lacs	Amount as on 31.03.2009 Rs. in lacs
1.	Hind Agro Ind. Ltd.	Subsidiary Co.	Investment In Equity	150.00	—	Dr. 150.00
2	Hind Agro Ind. Ltd.	Subsidiary Co.	Business Transaction	9798.51	7272.89	Dr. 2525.62
3	Islamuddin & Co.	Firms in Which KMP are Interested	Rent	26.93	26.93	NIL
4	Al-Mashriq Exports Pvt. Ltd.	Firms in Which KMP are Interested	Business Transaction	NIL	NIL	NIL
5	Samar Travels & Cargo Pvt. Ltd.	Firms in Which KMP are Interested	Business Transaction	13.77	13.77	NIL
6	Fast Trax Food (P) Ltd.	Firms in Which KMP are Interested	Business Transaction	0.12	NIL	Dr. 0.12
7	Mrs. Kiran Qureshi	Relatives of KMP	Rent	12.15	12.15	NIL
8	Hind Air Link (P) Ltd.	Firms in Which KMP are Interested	Business Transaction	NIL	NIL	NIL
9	Aliffa Agro (India) Ltd	Firms in Which KMP are Interested	Business Transaction	NIL	NIL	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	NIL	NIL	NIL

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

C.2.B KEY MANAGERIAL PERSONNEL

S.N.	NAME OF THE PERSONS	NATURE OF RELATIONSHIP	NATURE OF TRANSACTION	AMOUNT (Rs. in Lacs)
1.	Shri Sirajuddin Qureshi	Managing Director	Remuneration	34.89
2.	Smt. Kiran Qureshi	Director	Rent	12.00
3.	Dr. Naseem Qureshi	Director	—	—
4.	Mr. Anil Vanjani	Chief Executive Officer	Remuneration	5.83

C.3 Earning per Share

	Year ending 31.03.2009	year ending 31.03.2008
Profit After Tax	154.21 Lacs	37.36 Lacs
Weighted No. of Shares	8636240	8636240
Basic Earning per Share	1.79	0.43
Diluted Earning per Share	1.79	0.43

C.4 PAYMENT TO AUDITORS :

	For the year ended 31-03-2009	For the year ended 31-03-2008
Statutory Audit Fees	412522.00	420226.00
Tax Audit Fees	111403.00	113484.00
Out of Pocket Expenses	82725.00	0.00
Total (Rupees)	606650.00	533710.00

C.5 Accounting for Deferred Tax (A.S.-22) on income :
(Rs.in lacs)

Particulars	Year Ended 31 st March, 2009	Year Ended 31 st March, 2008
a) Deferred Tax Assets on account of timing differences:		
(i) Provision for doubtful debts	32.63	32.63
(ii) Provision for Gratuity & Bonus	48.77	40.01
(iii) Provision for Leave encashment	4.97	4.61
(iv) Others	00.00	86.84
Total	<u>86.37</u>	<u>164.08</u>
b) Deferred Tax Liability on account of timing differences:		
(i) Depreciation on fixed assets	715.77	751.90
Total	<u>715.77</u>	<u>751.90</u>
Net Deferred Tax Liability (b-a)	629.40	587.82

C.6 The Current Assets, Loans and Advances are realizable at the value stated in the Balance Sheet, in the ordinary course of business.

C.7 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. 966.70 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 Guarantee of M/s Islamuddin & Co.

C.8 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.9 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.10** As per re-negotiated terms and conditions with IFCI, during the year company is making payment as per revised terms.
- C.11** High Security Registration Number Plate (HSRNP) project is under implementation and the commencement of the same is still pending due to non availability of state government approvals, wherever necessary.
- C.12** Expenditure incurred on Salboni project has been capitalized as Capital Work In Progress, being pre-operative in nature. However, the management is pursuing for the necessary acquisition of land.
- C.13** The Company has paid a sum of Rs. 50.00 lakhs towards purchase of share of Hind Agro Industries Ltd, 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.
- C.14** **Research and Development Expenses :- NIL** (Previous year Rs. 3,735/-).
- C.15** There is no liability pending to Small Scale Industrial Units.

C.16 Additional information pursuant to the provision of paragraphs 3 & 4 of part II of Schedule VI to the Companies Act, 1956 :

A. PARTICULARS OF INSTALLED CAPACITY AND ACTUAL PRODUCTION. *

	ITEMS	QUANTITY (MT) AS AT 31-03-2009	QUANTITY (MT) AS AT 31-03-2008
Licensed Capacity	Fresh & Frozen Meat	25000.000	25000.000
Installed Capacity	Fresh & Frozen Meat	25000.000	25000.000
Actual Production	Fresh	2953.685	2920.295
	Frozen	4722.716	4760.557

* 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, 2009 (Previous year figures are shown in brackets)

Items	Opening Stock (MT)	Value (Rs)	Production (MT)	Sales (MT)	Value (Rs)	Closing Stock (MT)	Value (Rs)
Fresh	Nil (Nil)	Nil (Nil)	2953.685 (2920.295)	2953.685 (2920.295)	576230941 (536751498)	Nil (Nil)	Nil (Nil)
Frozen	2528.949 (2606.040)	191920714 (174931362)	4722.716 (4760.557)	4794.088 (4837.648)	551524224 (406573230)	2457.577 (2528.949)	240786222 (191920714)

(Figures in bracket represent previous year figures)

C. DETAIL OF RAW MATERIAL CONSUMED

Items	Year ended 31 st March, 2009		Year ended 31 st March, 2008	
	Quantity (MT)	Value (Rs)	Quantity (MT)	Value (Rs)
Fresh	2963.311	431297821	2925.465	338731585
Frozen	4750.565	391685344	4784.560	288077865



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 31.03.2008 (Rs)
Value of Imports(CIF Value)	Nil	Nil

F. EARNING IN FOREIGN CURRENCY

	For the Year Ended 31.03.2008 (Rs)	For the Year Ended 31.03.2008 (Rs)
FOB Value of Export Goods	976904158	803151005

C.17 PARTICULARS OF MANAGERIAL REMUNERATION ARE AS UNDER :—

- (a) Salaries include remuneration payable to Chairman & Managing Director amounting to Rs. 31,50,000/-. (Previous Year – 30,30,000/-)
- (b) Commission Payable as follows :

Particulars	Amount (in Rs)
Net Profit/ (Loss) as per Profit & Loss A/c	30439353
<i>Add:</i>	
Depreciation as per Profit & Loss A/c	26605949
Director's Remuneration	3150000
Sitting Fee Paid	—
Commission paid	339286
	60534588
<i>Less :</i>	
Depreciation as per Section 350 of the Companies Act, 1956	26605949
Net Profit /(Loss) available for Director's remuneration	33928639
Commission Payable Rs. 339,286/-	33928639
The Commission payable to the Chairman & Managing Director is restricted to Rs. 339,286/- being 1% of the net profit.	

C.18 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

SIRAJUDDIN QURESHI
Chairman & Managing Director

ANIL VANJANI
Chief Executive Officer

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

DR. NASEEM QURESHI
Director

R.K. GOEL
Chief Financial Officer

SAMAR BHATIA
Company Secretary

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

M.K.AGGARWAL & CO.
Chartered Accountants

(ATUL AGGARWAL)
Partner
(Membership No. 99374)

PLACE : NEW DELHI
DATE : 13.08.2009

**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. State Code
 Balance Sheet
 Date

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSAND)

Public issue Right issue
 Bonus issue Private Placement

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities Total Assets

SOURCES OF FUNDS

Paid-up-Capital Reserves & Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liability

APPLICATION OF FUNDS

Net Fixed Assets Investments
 Net Current Assets Misc.Expenditure

IV. PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover Total Expenditure
 Profit/(Loss) before tax Profit / (Loss) After Tax
 Earning Per Share (in Rs.) Dividend Rate%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code (I.T.C. Code)
 Product Description

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 General of Commercial Intelligence and Statistics

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

SIRAJUDDIN QURESHI
Chairman & Managing Director

DR.NASEEM QURESHI
Director

ANIL VANJANI
Chief Executive Officer

M.K. AGGARWAL & CO.
Chartered Accountants

R. K. GOEL
Chief Financial Officer

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

SAMAR BHATIA
Company Secretary

ATUL AGGARWAL
Partner
Membership No. 99374

PLACE : NEW DELHI
DATE : 13.8.2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH - 2009**

[Amount Rs. In lacs]

Particulars	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation as per Profit & Loss Account	304.39	235.84
ADJUSTMENTS FOR		
Depreciation	266.06	267.77
Adjustment in Depreciation for Fixed Assets sale	3.24	1.68
Tax for the Year	(103.46)	(27.77)
Fringe Benefit Tax	(5.15)	(3.80)
I.F.C.I Restructuring Account Written Back	(127.62)	(63.81)
Interest Paid	726.84	439.91
Operating Profit before working capital & Dividend	<u>1064.30</u>	<u>849.82</u>
INCREASE / (DECREASE) IN WORKING CAPITAL		
Sundry Debtors	72.94	(630.75)
Inventory	(483.14)	(183.26)
Trade Receivable	(1221.41)	(866.46)
Trade Payable	1347.77	204.68
NET CASH FROM OPERATING ACTIVITIES.....A	<u>780.46</u>	<u>(625.97)</u>
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(15.18)	(78.17)
Proceeds from Sale of Fixed Assets	10.40	3.50
Capital work in progress	(6.50)	—
NET CASH USED IN INVESTING ACTIVITIES.....B	<u>(11.28)</u>	<u>(74.67)</u>
C) CASH FLOW FROM FINANCE ACTIVITIES		
Secured Loan	(436.95)	1,155.20
Unsecured Loan	(104.45)	(390.63)
Proceeds from Borrowings	449.51	476.37
Dividend paid	(43.18)	—
Tax on Dividend	(7.34)	—
Interest Paid	(726.84)	(439.91)
NET CASH USED IN FINANCE ACTIVITIES.....C	<u>(869.25)</u>	<u>801.03</u>
CASH FLOW DURING THE YEAR.....(A+B-C)	<u>(100.07)</u>	<u>100.39</u>
Cash & Cash Equivalents (Opening Balance)	272.20	171.81
Cash & Cash Equivalents (Closing Balance)	172.13	272.20

For and on behalf of the Board

As per our report of even date attached

SIRAJUDDIN QURESHI
Chairman & Managing DirectorDR.NASEEM QURESHI
DirectorANIL VANJANI
Chief Executive OfficerFor & on behalf of
M. K. AGGARWAL & CO
Chartered AccountantsR.K. GOEL
Chief Financial OfficerMOHD. ALI SHAUKAT
Dy. General Manager
(Finance & Accounts)SAMAR BHATIA
Company Secretary(ATUL AGGARWAL)
Partner
(Membership No. 99374)PLACE : NEW DELHI
DATE : 13.8.2009

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

1. Name of subsidiary : HINDAGRO INDUSTRIES LTD.
2. Financial Year of the subsidiary ended on : 31st March, 2009.
3. Shares of the subsidiary held by the Company on the above date :
 - a) Number and face value : 1,87,50,000 Equity Shares of the face value of Rs.10/- each fully paid up.
 - 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, 2009. : Nil
 - b) Not dealt with in the accounts of the company for the year ended 31st March, 2009. : Rs. 8.56 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, 2009. : Nil
 - b) Not dealt with in the accounts of the company for the year ended 31st March, 2009. : Rs. 19.73 Crores

For and on behalf of the Board

SIRAJUDDIN QURESHI
Chairman & Managing Director

DR. NASEEM QURESHI
Director

ANIL VANJANI
Chief Executive Officer

R. K. GOEL
Chief Financial Officer

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

SAMAR BHATIA
Company Secretary

PLACE : NEW DELHI
DATE : 13.8.2009

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Fifteenth Annual Report together with the Audited Accounts of the Company for the year ended on March 31, 2009.

FINANCIAL HIGHLIGHTS

The Financial Results for the year ended on March 31, 2009, are given below:

(Rs. in Lacs)

PARTICULARS	2008-09	2007-08
Total Sales & Other Income	63838.10	36311.46
Profit before Depreciation, Interest & Tax	3159.52	2009.63
Depreciation	645.25	640.07
Interest	1954.71	1119.65
Profit/(Loss) before Tax	559.56	249.90
Less: Prior Period Expenses	1.57	4.14
Less: Provision for Tax	91.81	17.16
Profit After Tax for the current year	466.18	228.60
Add: Deferred Tax Income	1050.62	—
Total Profit for the year	1516.80	228.60
Balance brought forward	3488.11	3259.52
Balance carried to Balance Sheet	5004.90	3488.11

OPERATIONS

Your Directors are pleased to inform you that the financial performance of the company has improved during the year under review. The 'Sales and Other Income' of the company has been increased to Rs. 638.38 Crores during the year 2008-09 from Rs. 363.11 Crores in the previous financial year 2007-08, thereby making an effective growth of around 75.81% during the year. Profit After Tax for the current year increased by Rs.2.38 crores (103.9%) to Rs.4.66 Crores as compared to Rs.2.29 Crores for the year ended 31st March, 2008. During the year under review, your company continued its endeavor to provide the best quality of products to the customers overseas and achieved excellence in customer service. All round efforts were made to achieve possible savings/cost reduction in different areas of operations.

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, 2009.

PROSPECTS

As the members are aware that all the industries have been affected by Economic recession and slow down and our industry is no exception to it, your Directors believe that the prospects of the Company are bright except the effect of recession and slow down. The Company is continuously making efforts for tapping new 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 appreciation of Indian Rupee (INR) in comparison to the US Dollar (USD) is the primary concern for the Company and affects the overall performance of your Company.

Your company bagged one work order for constructing, operating and maintaining of Modern Slaughter House at Perambur, Chennai on Design, Build, Operate and Transfer (DBOT) basis. Company is also expecting work order for construction, operation and maintenance of Modern Slaughter House at Salempur Patora, Lucknow on Turn Key Basis.

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. Company positive outlook 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, nominations of Mr. R. K. Gupta and Mr. B. S. Dube Nominee Directors- PICUP, were withdrawn by PICUP.

Further, nominations of Mr. Ashok Kumar Singh – IAS and Mr. Komal Ram Nominee Directors- UPPUNL were also withdrawn by UPPUNL.

Nomination of Mr. Pawan Kumar – Nominee Director-

IFCI was withdrawn by IFCI and the name of Mr. B. Banerjee was nominated as nominee Director-IFCI

The Company expresses their gratitude for the professional contributions, able guidance and whole heartedly support provided by Mr. R. K. Gupta, Mr. B. S. Dube Nominee Directors- PICUP along with Mr. Ashok Kumar Singh, Mr. Komal Ram, Nominee Directors- UPPUNL and Mr. Pawan Kumar, Nominee Director-IFCI during their tenure as the Directors of the company.

Mr. Ishtiaque Abidi, Director retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting of the Company.

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

During the period under review, Mr. Rakesh Gupta and Mr. K. D. Sharma, were appointed as an Additional Directors, nominated by PICUP. Further Dr. Harsharan Das and Mr. Ashok Kumar Verma were also appointed as Additional Directors nominated by UPPUNL.

The terms of office of Mr. Rakesh Gupta and Mr. K. D. Sharma both nominee PICUP, Dr. Harsharan Das and Mr. Ashok Kumar Verma both Nominee UPPUNL, expires at the ensuing Annual General Meeting of the Company.

Company has received Notices under Section 257 of the Companies Act, 1956 from a member proposing the appointment of the above mentioned Directors, as Directors of the Company, liable to retire by rotation.

The Board recommends their 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:

- (i) in the preparation of the Annual Accounts for the financial year ended March 31, 2009, the applicable Accounting Standards has been followed alongwith proper explanation relating to material departures;
- (ii) the Directors has 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 has 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 has prepared the Accounts for the financial year ended March 31, 2009, 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 2008-09, 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, TECHNO-LOGY 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.

On Behalf of the Board
For **HIND AGRO INDUSTRIES LIMITED**

Place : New Delhi **SAMAR QURESHI** **SIRAJUDDIN QURESHI**
Date : 11.8.2009 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:

- Purchase of Hydle power from UPSEB.

(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:

- Acquiring high pressure water and air jet cleaning systems.
- Utilizing the DG exhaust waste heat recovery system for generation of hot water.

(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:

- Hydle power purchased from UPSEB resulting in reduction in refrigeration cost.
- Consumption of steam, electricity and fuel is being strictly controlled in Boilers.
- Condensed water is being reused for

conserving fuel and water conditioning chemicals.

(d) Total energy consumption:

I. Power and fuel consumption.

	Current Year	Previous Year
1. Electricity		
(a) Purchased		
Unit	709062	NA
Total amount	3654424	NA
Rate/unit	5.15	NA
(b) Own generation		
(i) Through diesel generator Units	16090285	13614289
Units per ltr. of diesel oil	3.53	3.56
Cost/unit	Rs. 8.26	Rs.6.59
(ii) Through steam turbine/generator	NA	NA
Units	NA	NA
Units per ltr. of fuel oil/gas	NA	NA
Cost/unit	NA	NA
2. Coal (specify quality and where used)		
Quantity (tonnes)	NA	NA
Total Cost	NA	NA
Average rate	NA	NA
3. Furnace oil (Boiler)		
Quantity (k. ltrs)	1067209	1604379
Total amount	19607604	28087777
Average rate	18.37	17.51
4. Others		
HSD oil (BOILER)		
Quantity	1284137	NA
Total Cost	38629634	NA
Rate/Unit	30.08	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		0.35	0.33
-Furnace oil		NA	0.33
-Coal (specify quality)		NA	NA
-Others (specify)		NA	NA

(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:

- 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) Expenditure on R & D:

	Current Year	Previous Year
i) Capital	NIL	NIL
ii) Recurring	18.80 Lacs	Rs. 16.51 Lacs
iii) Total	18.80 Lacs	Rs. 16.51 Lacs
iv) Total R & D expenditure as a percentage of total turnover	0.03%	0.05%

2. TECHNOLOGY ABSORPTION, ADAPTA-TION 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-Conventio-nal 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 improve-ment, 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.	NIL
ii) Year of import.	NA
iii) Has technology been fully absorbed.	NA
iv) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	NA

(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:

- As a result of the rigorous efforts, the exports have been significantly increased by exploring new markets, offering better products and terms to the buyers and improving the follow up services for getting the repeat orders.

Total Foreign Exchange used and earned:

(Rs. In Lacs)

	Current Year	Previous Year
(i) Total Foreign Exchange earned (FOB Value)	54809.69	30268.01
(ii) Total Foreign Exchange used	240.09	102.38

On behalf of the Board

For HIND AGRO INDUSTRIES LIMITED

Place: New Delhi **SAMAR QURESHI** **SIRAJUDDIN QURESHI**
Date : 11.8.2009 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 31st March, 2009 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. And 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, 2009, 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, 2009 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, 2009; 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

PLACE : NEW DELHI

DATE : 11.8.2009

(VIPIN AGGARWAL)

Partner

Membership No. 16544

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, reflected in the head 'Advances recoverable in cash or in kind' under the schedule "Loans & Advances", to parties covered in the register maintained under section 301 of the Companies Act, 1956 and total amount outstanding is Rs. 405.59 lacs (maximum amount outstanding during the year – Rs. 422.71 lacs) from seven parties.
- 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. 150.00 lacs from its holding company, reflected in the schedule "Unsecured Loan" and Rs. 2539.19 lacs is due to other parties including holding company reflected as 'Other Liabilities' in the schedule "Current Liabilities" (maximum amount Rs. 3284.39 lacs due from four parties during the year), 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, 2009. The company has not incurred any cash losses during the financial year ended March 31, 2009 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 institution after the re-scheduling 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**

PLACE : NEW DELHI
DATE : 11.8.2009

(VIPIN AGGARWAL)
Partner
Membership No. 16544

**BALANCE SHEET AS AT MARCH 31, 2009**

PARTICULARS	SCHEDULE	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
1 Shareholders' Funds			
a) Share Capital	1	331500700	331500700
b) Reserves & Surplus	2	500490089	348811158
2 Loan Funds			
a) Secured	3	1431789255	1437719163
b) Unsecured	4	15000000	15000000
3 Deferred Tax Liabilities		0	11165000
TOTAL		2278780044	2144196021
II. APPLICATION OF FUNDS			
1 Fixed Assets			
a) Gross Block	5	1409314795	1378473020
b) Less : Depreciation		577820446	518705761
c) Net Block		831494349	859767259
d) Capital Work In Progress		37725364	32223730
		869219713	891990989
2 Current Assets, Loans & Advances			
a) Inventories	6	613265027	554431693
b) Sundry Debtors	7	779388093	553473737
c) Cash and Bank Balances	8	180995663	88907256
d) Loans and Advances	9	504171200	389704680
		2077819983	1586517366
Less : Current Liabilities & Provisions			
Current Liabilities	10	737960399	318636403
Provisions	11	24196273	15675932
		762156672	334312335
Net Current Assets		1315663311	1252205031
Deferred Tax Assets		93897020	0
TOTAL		2278780044	2144196021
Significant Accounting Policies & Notes to Account forming part of the Accounts	20		

For and on behalf of the Board

SIRAJUDDIN QURESHI
Managing Director

SAMAR QURESHI
Director

As per our report of even date attached
for **VIPIN AGGARWAL & ASSOCIATES**
Chartered Accountants

R.K. GOEL
Chief Financial Officer
& Company Secretary

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

PLACE : NEW DELHI
DATE : 11.8.2009

(VIPIN AGGARWAL)
Partner
Membership No. 16544

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD
ENDED MARCH 31, 2009**

PARTICULARS	SCHEDULE	Year ended 31.03.2009 (Rs.)	Year Ended 31.03.2008 (Rs.)
INCOME			
Sales	12	6328193050	3596712392
Other Income	13	55617367	39536254
Increase/(Decrease) in Stocks	14	54691940	66716202
		<u>6438502357</u>	<u>3702964848</u>
EXPENDITURE			
Materials Consumed & Manufacturing Expenses	15	5779248850	3091898691
Employees Remuneration & Benefits	16	27101358	22270321
Administrative & Other Expenses	17	58444163	37146742
Marketing Expenses	18	257756172	345584055
Financial Expenses	19	195471055	117067558
Depreciation	5	64525188	64007603
TOTAL		<u>6382546786</u>	<u>3677974970</u>
PROFIT /(-) LOSS BEFORE TAXATION		55955571	24989878
Prior Period Expenses		157339	414254
Income Tax for Current Year		6339766	0
Income Tax for Earlier Years		665670	0
Provision for Wealth Tax		56163	12177
Fringe Benefit Tax for Current Year		2105490	1704336
Fringe Benefit Tax for Earlier Years		14232	0
Deferred Tax Income		105062020	0
PROFIT /(-) LOSS AFTER TAX		<u>151678931</u>	<u>22859111</u>
Balance brought forward		348811158	325952047
PROFIT AVAILABLE FOR APPROPRIATION		<u>500490089</u>	<u>348811158</u>
Surplus Carried to Balance Sheet		<u>500490089</u>	<u>348811158</u>
Earning per Share		4.58	0.69
Significant Accounting Policies & Notes to Account forming part of the Accounts	20		

For and on behalf of the Board

SIRAJUDDIN QURESHI
Managing Director

SAMAR QURESHI
Director

As per our report of even date attached
for **VIPIN AGGARWAL & ASSOCIATES**
Chartered Accountants

R.K. GOEL
Chief Financial Officer
& Company Secretary

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

(VIPIN AGGARWAL)
Partner
Membership No. 16544

PLACE : NEW DELHI
DATE : 11.8.2009

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2009**

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - '1' SHARE CAPITAL :		
Authorised		
4,60,00,000 (Previous year 4,60,00,000) Equity Shares of Rs.10 each	<u>460000000</u>	<u>460000000</u>
Issued, Subscribed & Paid - Up		
33150070(Previous year 33150070) Equity Shares of Rs. 10 each fully paid up	<u>331500700</u>	<u>331500700</u>
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.		
TOTAL	<u><u>331500700</u></u>	<u><u>331500700</u></u>
SCHEDULE - '2' RESERVES & SURPLUS		
Surplus, being balance in Profit & Loss Account	<u>500490089</u>	<u>348811158</u>
TOTAL	<u><u>500490089</u></u>	<u><u>348811158</u></u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2009**

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - '3' SECURED LOANS :		
A. Terms Loans from Financial Institution		
IFCI Negotiated Loan	104760000	151320000
IDBI Negotiated Loan	76000000	180760000 120000000 271320000
IDBI Funded (interest) Loan		7688000 12848000
Interest accrued & Due IDBI		2912745 2912745
Liability under IFCI Restructuring Account	71328564	103030152
Liability under IDBI Restructuring Account	21206898	92535462 33484576 136514728
<p>(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 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).</p>		
B. Working Capital Loans from Banks	1118515903	997587600
<p>(Secured against hypothecation of stocks & book debts and second charge on fixed assets alongwith personal gurantees of two directors and partly by the corporate gurantee of Hind Industries Limited)</p>		
C. Deferred payments credit against purchase of vehicles	29377145	16536090
<p>(Secured against hypothecation of vehicles - repayable within one year Rs.17100954) (Previous Year Rs. 9048144)</p>		
TOTAL	1431789255	1437719163
SCHEDULE - '4' UNSECURED LOANS :		
From Holding Company	15000000	15000000
TOTAL	15000000	15000000

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009
SCHEDULE '5' FIXED ASSETS

(in Rupees)

Particulars	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As At 01.04.2008	Addition During The Period	Sales During The Year	Adjust- ments	Total As At 31.03.2009	Up To 31.3.2008	For The Year	Adjust- ments	Up To 31.3.2009	As At 31.03.2009	As At 31.03.2008	
LAND (Freehold)	23393455	0	0	0	23393455	0	0	0	0	23393455	23393455	
BUILDINGS	210041204	0	0	0	210041204	59161417	7015376	0	66176793	143864411	150879787	
PLANT & MACHINERY	1090178190	25919471	13183000	0	1102914661	433954888	52072761	-5410502	480617147	622297514	656223302	
VEHICLES	22152948	14097085	0	0	36250033	10545289	2432504	0	12977793	23272240	11607659	
TRUCKS	11249534	0	0	0	11249534	4485015	1253252	0	5738267	5511267	6764519	
FURNITURE & FIXTURES	5482206	1204962	0	0	6687168	2756222	313192	0	3069414	3617754	2725984	
COMPUTERS	8653064	1905681	0	0	10558745	5448602	1079375	0	6527977	4030769	3204462	
OFFICE EQUIPMENTS	7322418	897576	0	0	8219994	2354328	358728	0	2713056	5506939	4968090	
TOTAL	1378473019	44024775	13183000	0	1409314794	518705761	64525188	-5410502	577820446	831494349	859767258	
PREVIOUS YEAR	1355921975	28460048	5909004	0	1378473019	456530637	63415300	-1240177	518705761	859767258	899391338	

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2009**

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - '6' INVENTORIES		
(As valued and certified by the Management)		
Semi Finished Goods	3500228	9190000
Finished Goods	590734867	530353155
Stores & Spares	19029931	14888538
TOTAL	613265026	554431693
SCHEDULE - '7' SUNDRY DEBTORS		
Over six months - Considered good	18343189	15334196
Other Debts	761044904	538139541
TOTAL	779388093	553473737
SCHEDULE - '8' CASH AND BANK BALANCES :		
Cash in hand	801816	3851475
Balance with Scheduled Banks:		
i) in Current Account	67090827	5770438
ii) in F.D.R. (Including interest accrued on FDR)	113103020	79285343
TOTAL	180995663	88907256
SCHEDULE - '9' LOANS & ADVANCES		
(Unsecured - Considered Good)		
Advances recoverable in cash or in kind or for value to be received - includes Rs.405.59 lacs due from Companies in which the Directors of the Company are either Director or Member (Previous year Rs.253.28 lacs)	490800203	377938242
Balance with Excise Authorities	7427960	7627738
Advance Tax (AY 2006-2007)	500000	500000
Tax Deducted at Source	5443037	3638700
TOTAL	504171200	389704680
SCHEDULE - '10' CURRENT LIABILITIES :		
Sundry Creditors	239112748	108553983
Other Liabilities	498503235	209510944
Interest accrued but not due	344416	571476
TOTAL	737960399	318636403

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

PARTICULARS	For the Year Ended 31.03.2009 (Rs.)	For the Year Ended 31.03.2008 (Rs.)
SCHEDULE - '11' PROVISIONS:		
Provision for Taxation	7462640	1078888
Provision for Staff Benefits Scheme	16733633	14597044
TOTAL	24196273	15675932
SCHEDULE - "12" SALES		
Export Sales	5746863472	3181328027
Sale of Waste & By-Products	581329578	415384365
TOTAL	6328193050	3596712392
SCHEDULE - "13" OTHER INCOME		
Misc. Income	4142949	15792834
Interest on FDR	7495152	5102245
IDBI Liability written back	12277678	2790381
IFCI Liability written back	31701588	15850794
TOTAL	55617367	39536254
SCHEDULE - "14" INCREASE/(DECREASE) IN STOCKS		
Closing Stock	594235095	539543155
Opening Stock	-539543155	-472826953
TOTAL	54691940	66716202
SCHEDULE - "15" MATERIALS CONSUMED & MANUFACTURING EXPENSES		
Raw Material Consumed	5387479845	2833811346
Power and Fuel	198108702	119839530
D.G. Hiring Charges	2982070	2665423
Packing Material Consumed	103080080	66614755
Wages	20410372	19704736
Labour Welfare Expenses	2665277	2099756
Consumable Stores Consumed	22857839	15211038
Repairs & Maintenance:-		
— Plant & Machinery	23767056	16808137
— Building	1464010	754994
Insurance	938664	1268815
Inward Freights/Cartage	1888355	721665
Inspection Charges	4432303	3213440
Truck Running & Maintenance	1338164	3129266
Security Charges	2071988	1693827
Horticulture Expenses	786381	720332
Research & Development Exps.	1879595	1651636
Cess Water & UPCCB	163782	150616
Others	2934367	1839378
TOTAL	5779248850	3091898691

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

PARTICULARS	For the Year Ended 31.03.2009 (Rs.)	For the Year Ended 31.03.2008 (Rs.)
SCHEDULE - "16" EMPLOYEES REMUNERATION & BENEFITS		
Salaries & Other Benefits	25231240	20442329
Contribution to Provident Fund	1870118	1827992
TOTAL	27101358	22270321
SCHEDULE - "17" ADMINISTRATIVE & OTHER EXPENSES		
Rent	16042289	4384560
Vehicle Expenses	3938976	2476283
Conveyance & Travelling (Including Directors' Travelling of Rs.4446858) (Previous Year Rs.3260524)	9153688	7663792
Rates, Taxes Subscription and Fees	2549756	739743
Electricity & Water Expenses	693346	1223387
Security Service Charges	541841	455682
Printing & Stationery	2857777	1919514
Audit Fee	628710	584272
Legal & Professional Charges (Including paid to Directors' Rs.324000)	4200103	4322466
Repair & Maintenance Office	3480636	3999502
Loss on Sale of Fixed Assets	5487498	2709808
Insurance	4198279	3485635
Telephone, Postage & Telegram	3072636	2577426
Misc. Expenses	1598628	604672
TOTAL	58444163	37146742
SCHEDULE - "18" MARKETING EXPENSES		
Freight, Clearing & Forwarding Charges	226446067	327327596
Business Promotion Expenses	15390873	12294212
Commission	15919232	5962247
TOTAL	257756172	345584055
SCHEDULE - "19" FINANCIAL EXPENSES		
Interest on Term Loans	20501860	25957036
Interest on Working Capital, other Bank Interest & Charges	174969195	91110522
TOTAL	195471055	117067558

SCHEDULE – ‘20’ - 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 amortised 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.
The duty credit scrip benefit under Vishesh Krishi and Gram Udyog Yojna (VKGUY), 2008 has been reduced from freight and forwarding expenses on its realisable value.
- 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 has made provision for taxes for the year as per 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)

	<i>As on 31.03.09</i>	<i>As on 31.03.08</i>
a) Outstanding guarantee & counter guarantee to various banks.	206.40	99.55

2. RELATED PARTIES DISCLOSURES
A. Particulars of Holding / Associate Companies / Firms

S. N.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Debit Rs in lacs	Credit Rs in lacs	Balance Amount on 31.03.2009 (Rs. In Lacs)
1.	Hind Industries Ltd.	Holding Company.	Loan Taken	---	150.00	Cr. 150.00
2.	Hind Industries Ltd.	Company in which Directors are interested.	Business Transactions	7272.89	9798.51	Cr. 2525.62
3.	Al-Mashriq Exports Pvt. Ltd.	Company in which Directors are interested.	Rent	70.00	60.00	Dr. 10.00
4.	Eatcco Foods Pvt. Ltd.	Company in which Directors are interested.	Business Transactions	NIL	NIL	NIL
5.	Islamuddin & company	Firm in which M.D. is Partner.	Rent	53.85	53.85	NIL
6.	Hind Air Link Pvt Ltd	Company in which Directors are interested.	Business Transactions	73.27	3.40	Dr. 69.87
7.	Hind Air Services Pvt Ltd	Company in which Directors are interested.	Business Transactions	16.35	NIL	Dr. 16.35
8.	Fast Trax Food Pvt Ltd	Company in which Directors are interested.	Business Transactions	255.86	163.36	Dr. 92.50
9.	Hind Biopharmaceuticals Ltd.	Company in which Directors are interested	Business Transactions	70.00	70.00	NIL
10.	Samar Travels & Cargo Pvt. Ltd.	Company in which Directors are interested	Business Transactions	163.69	21.00	Dr. 142.69
11.	Integrated LiveStock Village Farm Pvt. Ltd.	Company in which Directors are interested	Business Transactions	35.02	0.45	Dr. 34.57
12.	Prime Packaging	Firm in which Directors are interested.	Supply of Packing Material.	180.84	194.41	Cr. 13.57
13.	Hind Builders Ltd	Company in which Directors are interested	Business Transactions	39.31	NIL	Dr. 39.31

B. Key Management Personnel

S.N.	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
7.	Mr. R. K. Goel	CFO / Company Secretary

C. Detail of transactions relating to persons referred to in item (B) above

	<u>Unit of Measurement</u>	<u>Value of Transaction</u>
a) Remuneration/ Consultancy	Rs. lacs	56.55
b) Rent & Security	Rs. lacs	81.00

3. 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.

4. Due to realignment of the value of Debtors, to make it commensurate with the closing exchange rate, Sales & Debtors have accordingly been decreased by Rs. 24.02 lacs. (Previous year increase - Rs. 13.10 lacs).

5. Balances appearing under the head Loans & Advances, Sundry Debtors and Sundry Creditors are subject to reconciliation and confirmation.

6. The company had taken loan in the form of NCD and Term Loan from IDBI (SASF) and IFCI, which were restructured under One Time Settlement made in the earlier years. In the absence of classification into NCD and Term Loan, during the year the same have been reflected as negotiated loans under the head "Secured Loans" in the Balance Sheet, for which the company is making payments regularly. However, the remaining amounts have been reflected under the head Liability Restructuring account. Further, sum of Rs. 122.78 lacs and Rs. 317.02 lacs have been shown under the heading Other Income as "IDBI Liability Written Back" and "IFCI Liability Written Back" respectively and the same are linked to the payments being made to the above financial institutions.

7. Payment to auditors :

	For the year ended 31-03-2009	For the year ended 31-03-2008
Statutory Audit Fees	477048.00	485957.00
Tax Audit Fees	96512.00	98315.00
Out of Pocket Expenses	55150.00	0.00
Total (Rupees)	<u>628710.00</u>	<u>584272.00</u>

8. As the company's business activity falls within a single primary business segment viz. "Meat Products", the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.
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. ACCOUNTING FOR DEFERRED TAX (A.S.-22) ON INCOME :
(Rs. In Lacs)

Particulars	Year Ended 31 st March,2009
a) Deferred Tax Assets on account of timing differences:	
(i) Provision for Gratuity & Bonus	45.52
(ii) Provision for Leave Encashment	11.36
(iii) Carry Forward Losses	875.39
(iv) Depreciation on Fixed Assets	118.35
Total	1050.62
b) Deferred Tax Liability on account of timing differences:	
(i) Depreciation on fixed assets	00.00
Total	00.00
Net Deferred Tax Assets (A-B)	1050.62
Less : Deferred Tax Liability as on 31-03-2008	111.65
Net Deferred Tax Assets as on 31-03-2009	938.97

11. 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.

12. 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. 301.18 lacs and same is included in Capital Work In Progress. The Government share of grant will be adjusted in the year of completion.

13. 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 2006-2007. However, the balance amount to be adjusted from 01.04.2009 to 25.06.2012 is Rs. 5381.63 lacs.

14. 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.

15. 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.39,27,513/- (Previous Year–Rs.269,665/-).

B) In respect of Spares – Rs. 21,95,824/- (Previous Year – Rs. 662,133/-)

II) Expenditure in foreign currency:

Travelling Expenses-Rs. 28,53,728/- (Previous Year - Rs. 33,98,703/-)

Commission - Rs. 150,32,147/- (Previous Year – Rs. 59,08,247/-)

**III) Earning in Foreign Currency :**

FOB value of goods exported Rs. 54,809.69 lacs (Previous Year- Rs. 30,268.01 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.)
BUFFALO (Previous Year)	0.000 (0.000)	72771.571 (53057.670)	5082969149 (2726065365)	72771.571 (53057.670)	0.000 (0.000)	0.00 (0.00)
FRESH (Previous Year)	0.000 (0.000)	1249.910 (341.864)	115861468 (28822724)	1249.910 (341.864)	0.000 (0.000)	0.00 (0.00)

VI) DETAILS OF FINISHED / SEMI FINISHED STOCK

Particulars	Opening Stock	Production	SALES		CLOSING STOCK	
	Qty in MT	Qty in MT	Qty in MT	Value (Rs.)	Qty in MT	Value (Rs.)
BUFFALO (Previous Year)	6803.245 (7063.687)	47683.816 (40941.491)	49639.831 (41201.933)	5556867846 (3156185608)	4847.230 (6803.245)	583703437 (520584307)
FRESH (Previous Year)	0.000 (0.000)	843.675 (226.954)	843.675 (226.954)	189995626 (25142419)	0.000 (0.000)	0.00 (0.00)

16. There is no liability to Small Scale Units.

17. 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

SIRAJUDDIN QURESHI
Managing Director

SAMAR QURESHI
Director

As per our report of even date attached
For and on behalf of

VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants

R. K. GOEL
Chief Financial Officer
& Company Secretary

MOHDALI SHAUKAT
Dy. General Manager
(Finance & Accounts)

VIPIN AGGARWAL
Partner
(Membership No. 16544)

PLACE : NEW DELHI
DATE : 11.8.2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED
MARCH 31, 2009**

[Amount Rs. In lacs]

PARTICULARS	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit after Taxation as per Profit & Loss Account	557.98	245.75
ADJUSTMENTS FOR		
Depreciation	645.25	640.08
Adjustment in Depreciation for Fixed Assets sale	(54.11)	(18.32)
Income/Wealth Tax	(70.62)	(0.12)
Fringe Benefit Tax	(21.20)	(17.04)
F.I.'s Restructuring Account written back	(439.79)	(186.41)
Interest Paid	1,954.71	1,170.68
Operating Profit Before Working Capital Changes	<u>2,572.22</u>	<u>1,834.62</u>
ADJUSTMENTS FOR		
Sundry Debtors	(2,259.13)	(621.08)
Inventory	(588.33)	(571.33)
Trade Receivable	(1,144.66)	(814.44)
Trade Payable	4,278.44	108.53
NET CASH FROM OPERATING ACTIVITIES.....A	<u>2,858.54</u>	<u>(63.70)</u>
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(440.24)	(284.60)
Proceeds from Sale of Fixed Assets	131.83	59.09
Capital work in progress	(55.02)	33.45
NET CASH USED IN INVESTING ACTIVITIES.....B	<u>(363.43)</u>	<u>(192.06)</u>
C) CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from issue of Share Capital	—	—
Secured Loan	(828.79)	(309.94)
Unsecured Loan	—	—
Proceeds from Borrowings	1,209.28	2,079.04
Interest paid	(1,954.71)	(1,170.68)
NET CASH USED IN FINANCE ACTIVITIES.....C	<u>(1,574.22)</u>	<u>598.42</u>
CASH FLOW DURING THE YEAR.....(A+B-C)	<u>920.89</u>	<u>342.66</u>
Cash & Cash Equivalents (Opening Balance)	889.07	546.41
Cash & Cash Equivalents (Closing Balance)	<u>1,809.96</u>	<u>889.07</u>

For and on behalf of the Board

SIRAJUDDIN QURESHI
Managing DirectorSAMAR QURESHI
DirectorR.K. GOEL
Chief Financial Officer
& Company SecretaryMOHD. ALI SHAUKAT
Dy. General Manager
(Finance & Accounts)

As per our report of even date attached

for VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants(VIPIN AGGARWAL)
Partner
Membership No. 16544PLACE : NEW DELHI
DATE : 11.8.2009

**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. State Code
 Balance Sheet
 Date

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSAND)

Public issue Right issue
 Bonus issue Private Placement

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities Total Assets

SOURCES OF FUNDS

Paid-up-Capital Reserves & Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liability

APPLICATION OF FUNDS

Net Fixed Assets Investments
 Net Current Assets Misc.Expenditure
 Deferred Tax Assets

IV. PERFORMANCE OF COMPANY(AMOUNT IN Rs. THOUSANDS)

Turnover Total Expenditure
 Profit/(Loss) before tax Profit / (Loss) After Tax
 Earning Per Share (in Rs.) Divident Rate%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code (I.T.C. Code)
 Product Description

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 our report of even date attached**

SIRAJUDDIN QURESHI
Managing Director

SAMAR QURESHI
Director

FOR VIPIN AGGARWAL & ASSOCIATES

Chartered Accountants

R.K. GOEL
Chief Executive Officer
& Company Secretary

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

(VIPIN AGGARWAL)
Partner
Membership No. 16544

PLACE : NEW DELHI
DATE : 11.8.2009

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have examined the attached consolidated Balance Sheet as at 31st March 2009 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, 2009.

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 mis-statements. 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. 227.88 crores as at March 31, 2009 and total revenues of Rs. 643.85 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 Limited 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, 2009;
- 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**

(ATUL AGGARWAL)

PLACE : NEW DELHI
DATE : 13.8.2009

Partner
M.No-99374

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009**

PARTICULARS	SCHEDULE	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	89591200	89591200
b) Reserves & Surplus	2	794418511	698287714
c) Minority interest	3	361408757	295520896
		<u>1245418468</u>	<u>1083399810</u>
2. Loan Funds			
a) Secured Loans	4	1974732036	1992167979
b) Unsecured Loan		0	10445386
		<u>3220150504</u>	<u>3086013175</u>
3. Deferred Tax Liability			
		62939548	69946739
TOTAL		<u><u>3283090052</u></u>	<u><u>3155959914</u></u>
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	1971396699	1943871063
b) Less: Depreciation		827573545	745294315
c) Net Block		1143823154	1198576748
d) Capital work in-Progress		70289575	64137538
		<u>1214112729</u>	<u>1262714286</u>
2. Investments			
	5a	—	—
3. Current Assets, Loans & Advances			
Less: Current Liabilities & Provisions	7	979712719	417092046
Net Current Assets		1975080303	1893245628
Deffered Tax Assets		93897020	0
TOTAL		<u><u>3283090052</u></u>	<u><u>3155959914</u></u>
Significant Accounting Policies and Notes to the accounts	16		

For and on behalf of the Board**As per our report of even date attached****SIRAJUDDIN QURESHI**
Chairman & Managing Director**DR. NASEEM QURESHI**
Director**For M.K. AGGARWAL & CO.**
Chartered Accountants**ANIL VANJANI**
Chief Executive Officer**R.K. GOEL**
Chief Financial Officer**MOHD. ALI SHAUKAT**
Dy. General Manager
(Finance & Accounts)**SAMAR BHATIA**
Company Secretary**(ATUL AGGARWAL)**
Partner
Membership No. 99374PLACE : NEW DELHI
DATE : 13.8.2009

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR
ENDED MARCH 31, 2009**

PARTICULARS	SCHEDULE	Year ended 31.03.2009 (RS.)	Year ended 31.03.2008 (RS.)
INCOME			
Sales	8	7507803516	4584706275
Other Income	9	69989080	47416111
Increase/(Decrease) in Stocks	10	103042184	84220818
		<u>7680834780</u>	<u>4716343204</u>
EXPENDITURE			
Materials Consumed & Manufacturing Expenses	11	6715563730	3807333473
Employees Remuneration & Benefits	12	45471335	39657040
Administrative & Other Expenses	13	75625597	49124833
Marketing Expenses	14	398492572	519764822
Financial Expenses	15	268155487	161058273
Depreciation	5	91131137	90784485
		<u>7594439858</u>	<u>4667722926</u>
PROFIT /(-) LOSS BEFORE TAX		86394922	48620278
Prior Period Income		0	0
Prior Period Expenses		157339	461004
Less: Current Taxes			
i) Income Tax for Current Year		16686102	2777128
ii) Income Tax for Earlier Years		665670	0
iii) Provision for Wealth Tax		56163	12177
iv) Wealth tax for Earlier Years		0	0
v) Fringe Benefit Tax		2620179	2084336
vi) Fringe Benefit Earlier Years		14232	0
vii) Deferred Taxes Income/Expenses		100904211	16690739
PROFIT /(-) LOSS AFTER TAX		167099448	26594894
i) Dividend Paid		4318120	0
ii) Dividend Tax		733865	0
		<u>162047463</u>	<u>26594894</u>
Add: Surplus brought from previous year		439442691	412847797
PROFIT AVAILABLE FOR APPROPRIATION		601490154	439442691
Surplus/(Deficits) Carried to Balance Sheet		<u>601490154</u>	<u>439442691</u>
Significant Accounting Policies & Notes to Account forming part of the Accounts	16		

For and on behalf of the Board**SIRAJUDDIN QURESHI**
Chairman & Managing Director**ANIL VANJANI**
Chief Executive Officer**MOHD. ALI SHAUKAT**
Dy. General Manager
(Finance & Accounts)

PLACE : NEW DELHI

DATE : 13.8.2009

DR. NASEEM QURESHI
Director**R.K. GOEL**
Chief Financial Officer**SAMAR BHATIA**
Company Secretary**As per our report of even date attached****for M.K. AGGARWAL & CO.**
Chartered Accountants**(ATUL AGGARWAL)**Partner
Membership No. 99374

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009**

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - '1' SHARE CAPITAL :		
AUTHORISED :		
16000000(Previous year16000000) Equity Shares of Rs. 10/- each	160000000	160000000
Issued, Subscribed & Paid up:	86362400	86362400
8636240 (Previous year-8636240) Equity Shares of Rs. 10/- each fully paid up		
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 Forfited 1286820 Shares(Previous Year 1286820) on which Rs.3228800/-Paid up	3228800	3228800
TOTAL	89591200	89591200
SCHEDULE '2' - RESERVES AND SURPLUS		
1. REVALUATION RESERVES		
Balance as per last Balance Sheet	1641959	1670765
Less: Amortisation of land	(28806)	(28806)
	1613153	1641959
2. Share Premium Account	74272496	74272496
3. Capital Reserve	3228800	3228800
4. GENERAL RESERVES		
Balance as per last Balance Sheet	421853497	418117714
5. Profit & Loss Account		
Amount of Subsidiary Profit & Loss Account	500490089	348811158
Less : Minority interest	217408057	151520196
Profit & (Loss) Account	10368533	3735783
	293450565	201026745
TOTAL	794418511	698287714
SCHEDULE '3'- MINORITY INTEREST		
Share in the Capital of Subsidiary company	144000700	144000700
Share in Reserves & Surplus of subsidiary Company	217408057	151520196
TOTAL	361408757	295520896

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009**

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE '4'-SECURED LOANS		
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	288030745	438990745
Liability Under IFCI Restructuring account	93661465	138124709
Liability Under IDBI Restructuring account (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).	21206898	33484576
Bank of India Corporate Loan - (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 Guarantee of M/s Islamuddin & Co.,)	159908556	142,000,000
Working Capital Loans from Banks 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.	1380030744	1214151197
DEFERRED PAYMENT CREDIT Secured by Hypothecation of vehicles	31893628	25416751
TOTAL	1974732036	1992167979
UNSECURED LOAN	0	10445386

***Notes :**

Term Loan and interest accrued & Due on NCD 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 Ltd.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31ST, 2009
SCHEDULE '5' - FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK			
	As At 01.04.2008	Addition During The Period	Sales During The Year	Adjust- Ments	Total As At 31.03.2009	Up To 31.3.2008	For The Year	Adjust- Ments	Up To 31.3.2009	As At 31.03.2009	As At 31.03.2008
LEASEHOLD LAND	3105460	—	—	—	3105460	745310	41406	—	786716	2318744	2360150
FREEHOLD LAND	23393455	—	—	—	23393455	—	—	—	—	23393455	23393455
FACTORY BUILDING	273623918	—	—	—	273623918	85505690	9139039	—	94644729	178979189	188118228
PLANT & MACHINERY	1546619014	27111137	13183000	—	1560547151	611994240	73772157	-5410502	680355895	880191256	934624774
VEHICLES	33048068	14097085	4833986	—	42311167	17417853	3149191	-3470210	17096834	25214333	15630215
TRUCKS	13882524	—	—	—	13882524	5001079	1551043	—	6552122	7330402	8881445
FURNITURE & FIXTURES	30147673	1288792	—	—	31436465	14794614	1876338	—	16670952	14765513	15353059
COMPUTERS	9293748	2019651	—	—	11313399	5984106	1119656	—	7103762	4209637	3309642
OFFICE EQUIPMENTS	10739207	1025958	—	—	11765165	3833427	511114	—	4344541	7420624	6905780
ELECTRICAL EQUIPMENTS	17995	—	—	—	17995	17995	—	—	17995	—	—
TOTAL	1943871062	45542623	18016986	0	1971396699	745294314	91159943	-8880712	827573546	1143823153	1198576748
PREVIOUS YEAR	1919955522	34039757	5909004	4215213	1943871062	660010235	90185671	-4901592	745294315	1198576748	1259945287

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, 2009**

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE '5a'-COST OF CONTROL		
Book Value of investments in subsidiary company	187500000	187500000
Less: Cost of shares held in subsidiary company	187500000	187500000
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>
SCHEDULE '6'-CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
1. INVENTORIES		
(As valued, taken & certified by the Management)		
Finished goods	835021317	731979133
Packing Materials	19815310	15710355
	<u>854836627</u>	<u>747689488</u>
2. SUNDRY DEBTORS		
(Unsecured Considered Good)		
Over Six Months - Considered Good	30722102	53923831
Over Six Months - Considered Doubtful	4000000	4000000
Others	1020470787	778650049
	<u>1055192889</u>	<u>836573880</u>
Less: Provision For Doubtful Debts	4000000	4000000
	<u>1051192889</u>	<u>832573880</u>
3. CASH & BANK BALANCES		
Cash in hand	921636	6523398
Balance with the Banks	197286969	109603684
	<u>198208605</u>	<u>116127082</u>
(A)	<u>2104238121</u>	<u>1696390450</u>
B. LOANS AND ADVANCES (UNSECURED- CONSIDERED GOOD)		
Advances recoverable in cash or in kind or for value to be received.	843536286	608040419
Advance Tax (A. Y. 2006-2007)	500000	1500000
Tax Deducted at Soruce	6518615	4406805
(B)	<u>850554901</u>	<u>613947224</u>
Total (A+B)	<u>2954793022</u>	<u>2310337674</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009**

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE '7' CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	298769255	147186030
Other Liabilities	620555429	225382125
Interest accrued but not due	1788751	1187323
	<u>921113435</u>	<u>373755478</u>
PROVISIONS		
Provision for Staff- Welfare Schemes	33008384	27722241
Provision for Income Tax / Wealth Tax	25590900	15614327
TOTAL	<u>979712719</u>	<u>417092046</u>
SCHEDULE '8'-SALES		
Export Sales	6874618637	4124652755
Sales of Waste & By product	633184879	460053520
TOTAL	<u>7507803516</u>	<u>4584706275</u>
SCHEDULE '9' OTHER INCOME		
IFCI Liability Written back	44,463,244	22231622
IDBI Liability Written back	12,277,678	2790381
Interest on FDR/Margin Money	9,056,802	6589744
Miscellaneous Income	4,191,356	15804364
TOTAL	<u>69,989,080</u>	<u>47416111</u>
SCHEDULE '10' INCREASE / DECREASE IN STOCK		
Closing Stock of Finished Goods	835021317	731979133
Less: Opening Stock of Finished Goods	731979133	647758315
TOTAL	<u>103,042,184</u>	<u>84220818</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009**

PARTICULARS	For the Year Ended March 31, 2009 (Rs.)	For the Year Ended March 31, 2008 (Rs.)
SCHEDULE '11' MANUFACTURING EXPENSES :		
Raw Material Consumed	6218388978	3466271148
Consumable Stores	26985601	18935394
Packing Material Consumed	113794390	76355409
Power & Fuel	254705467	162126218
D.G. Hireing Charges	2982070	2665423
<i>Repair & Maintenance:</i>		
Plant & Machinery	33415936	24727820
Building	2799107	2563934
Others	354491	93474
Wages	37128861	34539546
Worker's Welfare Expenses	3488747	2469868
Insurance (Plant)	1481342	1784152
Vehicle running & Maint.	5070848	4041003
Freight Inward	1980420	780322
Research & Development Expenses	1879595	1651636
Security Charges (factory)	2791044	2404360
Horticulture Expenses	786381	720332
Others	7530452	5203434
TOTAL	6715563730	3807333473
SCHEDULE '12' -PAYMENTS TO & PROVISION FOR EMPLOYEES		
Salaries, Wages and Other Benefits	41919409	36203635
Contribution to Provident Fund & Other Funds	3551926	3453405
TOTAL	45471335	39657040
SCHEDULE '13' ADMINISTRATIVE & OTHER EXPENSES		
Rent	21087185	6589760
Vehicle Running & Maintenance	5180428	3074748
Travelling & Conveyance	10047659	8812061
Electricity & Water Charges	693346	1223387
Repair & Maintenance - Office	3480636	3999502
Rates, Taxes & Subscription	3478458	1087272
Security Service Charges	541841	455682
Printing & Stationery	3690783	2591683
Audit Fee	1294070	1117412
Certification Charges	145300	121172
Legal & Professional Expenses	6313589	6124750
Loss on Sale of Fixed Assets	5487498	2709808
Insurance	5590766	4912450
Telephone & Postage Expenses	4678268	4021843
Misc. Expences	3915770	2283303
TOTAL	75625597	49124833

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009**

PARTICULARS	For the Year Ended March 31, 2009 (Rs.)	For the Year Ended March 31, 2008 (Rs.)
SCHEDULE '14'- SELLING DISTRIBUTION & OTHER EXPENSES		
Freight & Forwarding Expenses	365070220	500937601
Business Promotion Expenses	17503120	12864974
Sales Commission	15919232	5962247
TOTAL	398492572	519764822
SCHEDULE '15'- FINANCIAL EXPENSES		
Interest on Term Loans, Working Capital loans & NCD.	35750377	45024662
Bank Interest and Charges	232405110	116033611
TOTAL	268155487	161058273

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009.**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.
- iv) **Expenditure:** The duty credit scrip benefit under Vishesh Krishi and Gram Udyog Yojna (VKGUY), 2008 has been reduced from freight and forwarding expenses on its realisable value.

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.

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** The loan taken from IDBI (SASF) and IFCI have been restructured in the earlier years and the same have been shown in the Balance Sheet as per settlement with the financial institutions. Accordingly, a sum of Rs. 439.80 lacs have been Written

Back as the liability which is no longer payable.

- 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. 966.70 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 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, Loans 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** High Security Registration Number Plate (HSRNP) project is under implementation and the commencement of the same is still pending due to non availability of state government approvals, wherever necessary.

B.11 Expenditure incurred on Salboni project has been capitalized as Capital Work In Progress, being pre-operative in nature. However, the management is pursuing for the necessary acquisition of land.

B.12 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.

C.1 Accounting for Deferred Tax on Income of Holding Company (Accounting Standard – 22) :

(Rs. In lacs)

Particulars	Year Ended 31.03.2009	Year Ended 31.03.2008
a) Deferred Tax Assets on account of timing difference :		
i) Provision for Doubtful Debts	32.63	32.63
ii) Provision for Gratuity & Bonus	48.77	40.01
iii) Provision for Leave Encashment	4.97	4.61
iv) Carry forward losses	00.00	86.84
Total	86.37	164.08
b) Deferred Tax Liability on account of timing difference :		
i) Depreciation on fixed assets	715.77	715.77
Total	751.90	751.90
Net Deferred Tax Liability (B-A)	629.40	587.82

C.2 Accounting for Deferred Tax on Income of Subsidiary Company (Accounting Standard – 22):

(Rs. In Lacs)

Particulars	Year Ended 31 st March, 2009
a) Deferred Tax Assets on account of timing differences:	
(i) Provision for Gratuity & Bonus	45.52
(ii) Provision for Leave Encashment	11.36
(iii) Carry Forward Losses	875.39
(iv) Depreciation on Fixed Assets	118.35
Total	<u>1050.62</u>
b) Deferred Tax Liability on account of timing differences:	
(i) Depreciation on fixed assets	00.00
Total	<u>00.00</u>
Net Deferred Tax Assets (a-b)	1050.62
LESS : Deferred Tax Liability as on 31-03-2008	111.65
Net Deferred Tax Assets as on 31-03-2009	<u>938.97</u>

C.3 RELATED PARTY DISCLOSURES

SN. NO.	NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP	Nature of Transaction	Debit Rs in lac	CREDIT Rs in lac	BALANCE AMOUNT AS ON 31.03.2009 (Rs. In Lacs)
1.	Al-Mashriq Exports 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	70.00	60.00	Dr. 10.00
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	NIL	NIL	NIL
3.	Islamuddin & company	i) Firm in which KMP* are interested.	i) Rent	26.93	26.93	NIL
		ii) Firm in which MD is Partner.	ii) Rent	53.85	53.85	NIL
4.	Hind Air Link Pvt Ltd	i) Company in which KMP* are interested.	Business Transactions	NIL	NIL	NIL
		ii) Company in which Directors are interested.		73.27	3.40	Dr. 69.87
5.	Hind Air Services Pvt Ltd	i) Company in which Directors are interested.	Business Transactions	NIL	NIL	NIL
		ii) Company in which Directors are interested.		16.35	NIL	Dr. 16.35
6.	Fast Trax Food Pvt Ltd	i) Company in which KMP* are interested.	i) Business Transactions	0.12	NIL	Dr. 0.12
		ii) Company in which Directors are interested.	ii) Business Transactions	255.86	163.36	Dr. 92.50
7.	Prime Packaging	Firm in which Directors are interested.	Supply of Packing Material.	180.84	194.41	Cr. 13.57
8.	Samar Travels & Cargo Pvt Ltd	i) Company in which KMP* are interested.	i) Business Transactions	13.77	13.77	NIL
		ii) Company in which Directors are interested.	ii) Business Transactions	163.69	21.00	Dr. 142.69
9.	Hind Biopharmaceuticals Ltd.	Company in which Directors are interested	Business Transactions	70.00	70.00	NIL
10.	Integrated Livestock Village Farm Pvt. Ltd.	Company in which Directors are interested	Business Transactions	35.02	0.45	Dr. 34.57
11.	Aliffa Agro (India) (P) Ltd.	i) Firm in which KMP* are interested.	Business Transactions	NIL	NIL	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	34.89	34.89	NIL
		ii) KMP*	ii) Rent	32.40	32.40	NIL
14.	Mrs. Kiran Qureshi	i) Relative of KMP*	i) Rent	12.15	12.15	NIL
		ii) Relative of KMP*	ii) Rent	48.60	48.60	NIL
15.	Dr. S.K. Ranjhan	Director	Consultancy	3.24	3.24	NIL
16.	Dr. Naseem Qureshi	KMP*	Remuneration	7.50	7.50	NIL
17.	Mr. Samar Qureshi	KMP*	Remuneration	29.40	29.40	NIL
18.	Mr. Anil Vanjani	KMP*	Remuneration	5.83	5.83	NIL

*KMP = Key Management Personnel.

C.3 EARNING PER SHARE

	2008-2009	2007-2008
Consolidated Profit after Tax	1670.99 lacs	265.95 lacs
Less : Minority Interest	658.88 lacs	99.30 lacs
Balance Profit	1012.12 lacs	166.65 lacs
Weighted No. of Shares	8636240	8636240
Consolidated Basic and Diluted Earning per share	11.72	1.93

C.4 CONTINGENT LIABILITIES
1. Claims against the Company not acknowledged as Debt :

Rs.Nil. (Previous Year : NIL)

2. Guarantees and other contingencies

	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
a) Given to others	Rs. 43.18	Rs. 43.18
b) Counter Guarantees executed by Bank	Rs. 206.40	Rs. 99.55

3. Income Tax Demand under appeal Not provided for

Rs. 8.80 Rs. 296.40

C.5 CONSOLIDATED SEGMENT REPORTING

As the company's business activity falls within a single primary business segment viz. Meat Products", the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

D. Additional information pursuant to the provision of paragraphs 3 & 4 of part IInd of schedule VI to the Companies Act, 1956 :
D.1 PARTICULARS OF CAPACITY USED *

ITEMS		QUANTITY (MT) AS AT 31-03-2009	QUANTITY (MT) AS AT 31-03-2008
Licensed Capacity	Fresh & Frozen Meat	145000.00	145000.00
Installed Capacity	Fresh & Frozen Meat	145000.00	145000.00
Actual Production	Fresh	3797.360	3147.249
	Frozen	52406.532	45702.048

* 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 31ST MARCH, 2009

Particulars	Opening Stock (MT)	Production (MT)	Sales (MT)	Value (Rs)	Closing Stock (MT)	Value (Rs)
Fresh	Nil	3797.360	3797.360	766226567	Nil	Nil
	(Nil)	(3147.249)	(3147.249)	(561893917)	(Nil)	(Nil)
Frozen	9332.194	52406.532	54433.919	6108392070	7304.807	824489659
	(9669.727)	(45702.048)	(46039.581)	(3562758838)	(9332.194)	(712505021)

(Previous year figures are shown in brackets)

D.3 DETAILS OF RAW MATERIAL CONSUMED

Items	2008-2009		2007-2008	
	Qty. (M.T.)	Value (Rs.)	Qty. (MT)	Value (Rs.)
Fresh	4213.221	547159289	3267.329	367554309
Frozen	77522.136	5474654493	57842.230	3014143230

D.4 EXPENDITURE IN FOREIGN CURRENCY

	2008-2009	2007-2008
Travelling	Rs. 2853728.00	Rs. 3398703.00
Commission	Rs. 15032147.00	Rs. 5908247.00

D.5 VALUE OF IMPORTS

	For the Year Ended 31.03.2009	For the Year Ended 31.03.2008
Value of Imports (CIF Value)	Rs. 6123337.00	Rs. 931798.00

D.6 EARNINGS IN FOREIGN CURRENCY

	For the Year Ended 31.03.2009 (Rs in lacs)	For the Year Ended 31.03.2008 (Rs in lacs)
FOB Value of Export Goods	64578.73	38299.52

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

SIRAJUDDIN QURESHI
Managing Director

ANIL VANJANI
Chief Executive Officer

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

PLACE : NEW DELHI
DATE : 13.8.2008

Dr. NASEEM QURESHI
Director

R.K. GOEL
Chief Financial Officer

SAMAR BHATIA
Company Secretary

For and on behalf of

M. K. AGGARWAL & CO.
Chartered Accountants

ATUL AGGARWAL
Partner
M.No-99374

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009**

Particulars	For the Year ended March 31, 2009	For the Year ended March 31, 2008
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation as per Profit & Loss Account	862.37	481.59
ADJUSTMENTS FOR		
Depreciation	911.31	907.85
Adjustment in Depreciation for Sale of Fixed Assets	(50.87)	(16.64)
Tax for the Year	(174.08)	(27.89)
Fringe Benefit Tax	(26.35)	(20.84)
F.I.'s Restructuring Account Written Back	(567.41)	(250.22)
Interest Paid	2681.55	1610.59
Operating Profit Before Working Capital Changes	<u>3636.52</u>	<u>2684.44</u>
ADJUSTMENTS FOR		
Sundry Debtors	(2,186.19)	(1251.83)
Inventory	(1071.47)	(754.59)
Trade Receivable	(2366.07)	(1680.90)
Trade Payable	5626.21	313.21
NET CASH FROM OPERATING ACTIVITIES.....A	<u>3639.00</u>	<u>(689.67)</u>
B) CASH FLOW FROM FINANCE ACTIVITIES		
Purchase of Fixed Assets	(455.42)	(362.77)
Proceeds from Sale of Fixed Assets	142.23	62.59
Capital work in progress	(61.52)	33.45
NET CASH USED IN INVESTING ACTIVITIES.....B	<u>(374.71)</u>	<u>(266.73)</u>
C) CASH FLOW FROM FINANCE ACTIVITIES		
Secured Loan	(1265.74)	845.26
Unsecured Loan	(104.45)	(390.63)
Proceeds from Borrowings	1658.79	2555.41
Dividend Paid	(43.18)	—
Tax on Dividend	(7.34)	—
Interest paid	(2681.55)	(1610.59)
NET CASH USED IN FINANCE ACTIVITIES.....C	<u>(2443.47)</u>	<u>1399.45</u>
CASH FLOW DURING THE YEAR.....(A+B-C)	<u>820.82</u>	<u>443.05</u>
Cash & Cash Equivalents (Opening Balance)	1161.27	718.22
Cash & Cash Equivalents (Closing Balance)	<u>1982.09</u>	<u>1161.27</u>

*For and on behalf of the Board**As per our report of even date attached
for M.K. AGGARWAL & CO.
Chartered Accountants***SIRAJUDDIN QURESHI**
Chairman & Managing Director**DR. NASEEM QURESHI**
Director**(ATUL AGGARWAL)**
Partner
(Membership No. 99374)**ANIL VANJANI**
Chief Executive Officer**R.K. GOEL**
Chief Financial Officer**MOHD. ALI SHAUKAT**
Dy. General Manager
(Finance & Accounts)**SAMAR BHATIA**
Company SecretaryDATE : 13.08.2009
PLACE : NEW DELHI

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

CHIEF EXECUTIVE OFFICER

Mr. Anil Vanjani

CHIEF FINANCIAL OFFICER

Mr. R. K. Goel

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

Mr. D. Guha

DY. GENERAL MANAGER (F & A)

Mr. Mohd. Ali Shaukat

COMPANY SECRETARY

Mr. Samar Bhatia

BANKERSIndian Bank
State Bank of Hyderabad
Bank of India

AUDITORSM/s. M. K. Aggarwal & Co.
Chartered Accountants

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**36th Annual Report
2008 - 2009**



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