

**37th Annual Report  
2009 - 2010**



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

Mr. Sirajuddin Qureshi

**Nominee Director-IFCI Limited**

Mr. Dinesh Sharma

**Directors**

Mrs. Kiran Qureshi

Dr. Naseem Qureshi

Mr. B. B. Gupta

Mr. B. B. Huria

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**CHIEF EXECUTIVE OFFICER**

Mr. Anil Vanjani

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**CHIEF FINANCIAL OFFICER**

Mr. R. K. Goel

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

Mr. D. Guha

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

Mr. Mohd. Ali Shaukat

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**COMPANY SECRETARY**

Mr. Samar Bhatia

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**BANKERS**Indian Bank  
State Bank of Hyderabad  
Bank of India

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**AUDITORS**M/s. M. K. Aggarwal & Co.  
Chartered Accountants

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**REGISTERED OFFICE**A-1, Phase-I,  
Okhla Industrial Area,  
New Delhi - 110 020  
Phone: 011-26372786 (7 Lines)  
Fax: 011-26817941-42 (2 Lines)  
Email: info@hind.in

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**WORKS**B-42, Site IV, Industrial Area, Sahibabad,  
Distt. Ghaziabad (U.P.)  
Phone: 0120-3005567-68  
Fax: 0120-2895341

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## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 37<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON FRIDAY, THE 24TH DAY OF SEPTEMBER, 2010, AT 9.30 A.M. AT BIPIN CHANDRA PAL MEMORIAL BHAVAN, A-81, CHITTARANJAN PARK, NEW DELHI- 110 019, TO TRANSACT THE FOLLOWING BUSINESS:**

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, 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. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend 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.

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

PLACE: NEW DELHI  
DATE: 14.08.2010

**SAMAR BHATIA**  
Company Secretary

### Registered Office:

A-1, Phase-I,  
Okhla Industrial Area,  
New Delhi-110 020.

materialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the de-materialization account.

4. Members are requested to intimate to the Company/ Registrar changes, if any, in their registered addresses along with Pin Code Number.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
6. As a measure of economy, distribution of copies of the Annual Report at the Annual General Meeting shall not be made. Therefore, Members are requested to bring their copies of the Report to the meeting.
7. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio 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.
9. Those Members who have not yet claimed their dividend for the financial year 1997-98 are further notified that they should claim the same as soon as possible, since after completing 7 years from becoming unpaid it will be transferred in June, 2013 into the 'Investors Education and Protection Fund' and after such transfer claim cannot lie against the company or Fund.

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

PLACE: NEW DELHI  
DATE: 14.08.2010

**SAMAR BHATIA**  
Company Secretary

## 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 20th September, 2010 to 24th September, 2010 (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-

**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:

<b>Name</b>	<b>Mr. B. B. Gupta</b>
<b>Age</b>	63 Years
<b>Qualification</b>	B.A., L.L.B., Delhi University.
<b>Expertise</b>	<p>Mr. Gupta is a senior Advocate and is engaged in his practice of advocacy since 1973. He regularly appears before the High Court &amp; 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 &amp; Parliamentary Studies, New Delhi, Supreme Court Bar Association, Delhi High Court Bar Association, International Jurists Organization etc.</p> <p>He is an eminent Member and Chairman of the different committees of the Directors of the company.</p>
<b>Other Directorships</b>	Nil

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Seventh 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, 2010.

### Financial Results:

The Financial Highlights of the Company for the financial year ended on March 31, 2010 are as under:

	<i>(Amount in Lac Rs.)</i>	
<b>Particulars</b>	<b>2009-10</b>	2008-09
Sales	<b>12245.36</b>	11796.10
Other Income	<b>188.33</b>	143.72
Profit before Depreciation, Interest and Tax {PBDIT}	<b>1108.54</b>	1297.30
Profit/(Loss) before Taxes {PBT}	<b>247.54</b>	304.39
Less- Tax for current year	<b>126.36</b>	103.46
Less- Tax for Earlier years	<b>(83.43)</b>	—
Less- Fringe Benefit Tax	—	5.15
Add- Deferred tax asset /(liability)	<b>43.33</b>	(41.58)
Profit/(Loss) after Taxes {PAT}	<b>247.95</b>	154.21
Surplus/(Deficit) of Previous Year	—	—
Transfer to General Reserve	—	—
Surplus/(Loss) Carried to Balance Sheet	<b>4519.65</b>	4322.22

### Performance:

During the financial year 2009-10, your Company achieved the highest ever turnover of Rs.122.45 Crores as against Rs.117.96 Crores in the previous year 2008-09, thereby showing an increase of 3.81%. The Profit before tax (PBT) of the Company during the financial year 2009-10 stood at Rs.2.47 Crores as against Rs.3.04 Crores in the previous financial year 2008-09, which is a decrease of 18.75%. The Net Profit after tax (PAT) of the Company during the financial year 2009-10 stood at Rs.2.48 Crores as compared to Rs.1.54 Crores in the previous year mainly due to the amount of Deferred Taxes Assets and reversal of provision for tax for earlier years.

The Company has made a good progress in the first quarter of this current financial year 2010-11 and has achieved a turnover of around 28.61 Crores in the said quarter ended on 30<sup>th</sup> June, 2010.

Your Directors are pleased to inform you that the Company is regular as on 31<sup>st</sup> March, 2010, in making the quarterly payment of installments to IFCI after the

Negotiated Settlement of Dues made by it vide its letter dated-21<sup>st</sup> June, 2005.

### Profitability:

During the year under review the profitability of the company decreased in comparison to the corresponding financial year. The profitability has decreased mainly due to withdrawal of incentives on export of Meat and Meat Products by the Government.

### 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.), achieved Total Sales Turnover Rs.686.13 Crores and Profit before taxes (PBT) of Rs.9.34 Crores for the year ended 31<sup>st</sup> March, 2010, as compared to the Total Sales Turnover of Rs.632.82 Crores and the Profit before taxes (PBT) of Rs.5.59 Crores in the previous year 2008-09. 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 31<sup>st</sup> March, 2010 are attached herewith for your perusal.

### Dividend:

The Board considering the Company's performance on achieving the highest ever turnover for the year under review, has recommended payment of dividend @ 5% for the year ended 31<sup>st</sup> March, 2010, subject to the approval of IFCI Ltd. and the Members at the ensuing Annual General Meeting.

### Current year's outlook:

Your Company is expected to improve further and consolidate its operations in the ongoing financial year i.e.2010-11, 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 commenced the commercial production w.e.f. 25<sup>th</sup> March, 2010 in the factory of High Security Registration Number Plate (HSRNP). The said project at Baddi, in the State of Himachal Pradesh, is now commissioned and the company is applying for tenders in various states. Since the recent delivery of directives by the Honble' Supreme Court it is now mandatory for the Centre and State

Governments to implement the HSRNP system upto 31<sup>st</sup> May, 2010. 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 2010-11, 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. Gupta, 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. Gupta, 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 2009-10, 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:-

<b>Name of the Employee</b>	<b>Designation</b>	<b>Qualification</b>	<b>Age</b>	<b>Remuneration (Amt in Rs.)</b>	<b>Experience</b>	<b>Date of employment</b>	<b>Previous employment</b>
Mr. Sirajuddin Qureshi	Chairman & Managing Director	BA, LLB	62 years	33,86,405/-*	33 years	06.08.1993	Not Applicable
Mr. Anil Vanjani	Chief Executive Officer	CA, CS, ICWA, LLB	47 years	36,66,960/-	23 years	02.02.2009	Luxor Writing Instruments Pvt Ltd

— \*Remuneration shown above includes commission of Rs.2,81,405/-

— The salary of the Chairman & Managing Director is as per the special resolution passed by the shareholders in the 35<sup>th</sup> 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, 2010, the applicable Accounting Standards had been followed along with proper explanations relating to the material departures;
- (ii) that the Directors had 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 had 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 had prepared the Accounts for the Financial Year ended 31st March, 2010, 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: 14.08.2010

**SIRAJUDDIN QURESHI**  
CHAIRMAN & MANAGING DIRECTOR

**ANNEXURE TO THE DIRECTORS' REPORT**

Form "B"

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

(See Rule 2)

**A) CONSERVATION OF ENERGY:**

Following activities were undertaken to save / conserve energy:

- (i) Proper inspections have been carried out for improvement in energy efficiency of the process adopted and eliminating wastages.
- (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.

**FORM 'A'**
**FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**
**Power and Fuel consumption:**

Electricity	Current Year	Previous Year
<b>a) Purchased units (KWH)</b>	—	—
Total amount (Rs.)	—	—
Average rate/unit (Rs.)	—	—
<b>b) Own generation through diesel generator set</b>		
Units of electricity	47,84,197	46,60,191
Total cost (Rs.)	4,58,06,945/-	4,19,12,000/-
Cost per unit of electricity (Rs.)	9.57	8.99
<b>c) Furnace Oil</b>		
Ltrs	2,37,375	80,000
Cost in Rs.	66,31,662/-	13,50,817/-
Rate / Litre (Rs.)	27.94	16.89
<b>d) High Speed Diesel Oil</b>		
Ltrs	1,06,419	4,35,633
Cost in Rs.	33,92,421/-	1,33,20,406/-
Rate / Litre (Rs.)	31.88	30.58

**Consumption per unit of production:**
**Fresh & Frozen Meat:**

(Per K.G.)

Particulars	Current Year	Previous Year
Energy (in Units)	0.652	0.607

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

We have always kept abreast with the latest technology developments taking place in the external environment. 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. Earnings and Outgo:**

Earnings of foreign exchange of the company have been to the tune of **Rs.1,04,26,74,663/-** (FOB Value) during the financial year 2009-10 (Previous year Rs.97,69,04,158/-), 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: 14.08.2010

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. 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, and 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.2009-10), as compared to the previous year (i.e.2008-09), 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 7291.151 M.T. as compared to 7676.401 M.T. during the previous year, which shows a decrease of around 5.02% over the previous year. The capacity utilization as a percentage of installed capacity is also decreased from 30.70% to 29.16% over the same period.

#### 2.2 SALES TURNOVER

The Company achieved highest ever turnover of Rs.122.45 Crores during the year 2009-10, as compared to Rs.117.96 Crores during the previous year 2008-09. The increase in sales amount is because of increase in sales price rate per Kg. 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 70.75% during the year under review as compared to 70.44% in the previous year. The Consumption of Utilities and Packing Material Cost to Sales increased to 1.37% in the year 2009-10, from 1.26% in the year 2008-09.

#### 3.2 Interest Cost

The Financial Cost in the year 2009-10 was at Rs.5.96 Crores as against Rs.7.27 Crores in 2008-09.

### 4. OPPORTUNITIES AND THREATS

#### 4.1 OPPORTUNITIES

- 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.
- India has the largest livestock population in the world.

#### 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.

- Emerging of new players in the meat industry results in increase in competition.
- 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. HIGH SECURITY REGISTRATION NUMBER PLATE**

The Commercial Production for the High Security Registration Number Plate was commenced from 25<sup>th</sup> March, 2010. 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 large scale work on High Security Registration Plate will start soon.

#### **6. FUTURE PROJECTS**

Your Subsidiary Company, M/s Hind Agro Industry Limited, last year 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. The construction has already started and the Commercial Production is expected to start in the year 2010-11.

#### **7. OUTLOOK**

Having witnessed faster recovery in World Economy in 2009, IMF estimates a positive economic rebound in 2010. World GDP growth is estimated at the rate of 4.2% in 2010 while Advanced World and Emerging World is estimated to grow 2.3% and 6.3%, respectively. Further WTO projects World Trade to expand by 9.5% with Advanced World increasing by 7.5% and Emerging World by 11%. Nonetheless, with the timely stimulated economic efforts, the depth, span and intensity of the economic catastrophic spread in 2008, seems to be partially taken care of. Even in these trying times, India has shown an Economic Growth of 7.2% and prospects for the Economy look far better and promising in 2010-11.

#### **8. RISKS AND CONCERNS**

The following are the areas of concern:

- The meat industry is very competitive, and the pressure continues to increase through the entry of new players, consolidation of existing players and expansion of operations by existing players.
- Changes in Indian as well as Foreign Government Policies and Regulations present a major area of concern for the Industry.
- Meat is more prone to disease which affects its export.
- Appreciation in Indian Rupee as compared to USD is also an area of concern.

#### **9. 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.

#### **10. 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.

#### **11. 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.

#### **12. FORWARD LOOKING AND CAUTIONARY STATEMENTS :**

Certain statements in the Management Discussion and Analysis concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuation in Foreign Exchange, fluctuations in earnings, our ability to manage growth, intense competition, wage increase in India, reduced demand for meat, withdrawal of Government incentives, legal restrictions on export outside India, statutory legislations and regulations affecting operations, including tax obligations and other allied factors. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.

#### **ON BEHALF OF THE BOARD OF DIRECTORS**

PLACE : NEW DELHI  
DATE: 14.08.2010

**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 2009-2010, 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**, 62 Years, Chairman and Managing Director of the company, done Bachelor of Arts in 1970 and L.L.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**, 60 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 L.L.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**, 46 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 Nine years.

**Mr. B.B. Gupta**, 63 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**, 66 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**, 57 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 five times during the last Financial Year (i.e. 2009-10). The meetings were held on 25<sup>th</sup> April, 2009, 30<sup>th</sup> July, 2009, 13<sup>th</sup> August, 2009, 30<sup>th</sup> October, 2009, and 23<sup>rd</sup> January, 2010. 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	4	No	1	1	6
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	5	Yes	3	Nil	2
Mr. B. B. Gupta	Independent	5	Yes	2	2	Nil
Mr. Dinesh Sharma	Independent	4	No	2	Nil	Nil

\*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 31.03.2010)

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. Gupta, 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 2009-10**

The Company is committed to conducting its business in accordance with the applicable laws, rules, 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 2009-10."

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

PLACE: NEW DELHI  
DATE: 14.08.2010

**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 2009-10, the Committee met five times on 25<sup>th</sup> April, 2009, 30<sup>th</sup> July, 2009, 13<sup>th</sup> August, 2009, 30<sup>th</sup> October, 2009 and 23<sup>rd</sup> January, 2010. The attendance of the members of the Committee in the meetings is as under:

Name	No. of Meetings during the Year (2009-10)	
	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 2009-10, have been accepted by the Board of Directors.

#### **(B) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

<i>Nature of Complaints</i>	<i>No. of Complaints Received</i>	<i>No. of Complaints Redressed</i>	<i>No. of Pending Complaints</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.	1	1	Nil
<b>Total</b>	<b>7</b>	<b>7</b>	<b>Nil</b>

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

#### **(C) REMUNERATION COMMITTEE**

##### **Composition**

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

##### **Composition**

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

- 1) Mr. B. B. Gupta
- 2) Mr. B. B. Huria
- 3) Mr. 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.

##### **Meetings during the year**

During the year 2009-10, the committee met once on 13<sup>th</sup> August, 2009 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:

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

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

##### **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 2009-10, the committee could not met, since there was no matter to be discussed by the committee.

#### Remuneration Policy

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

which is broadly based on the following criteria:

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

#### Details of the Remuneration

At present, the Company is paying remuneration only to the Chairman and Managing Director of the company. The aggregate value of salary and perquisites for the year ended on March 31, 2010 of the Chairman and Managing Director of the Company is as under:

(Amount in Rs.)

Name of the Director	Salary, Allowances and Perquisites			
	Salary	Allowances & Perquisites	P.F.	Commission
Mr. Sirajuddin Qureshi	18,00,000/-	12,95,640/-	9,360/-	2,81,405/-

#### 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
34 <sup>th</sup> AGM	29.09.2007	9.30 A.M.	Seble Hall, Main Mathura Road, Badarpur, New Delhi-110044
35 <sup>th</sup> AGM	30.09.2008	9.30 A.M.	Same as above.
36 <sup>th</sup> AGM	30.09.2009	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. 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 31<sup>st</sup> March, 2010.

##### **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 "Financial Express" and "Jansatta" 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](http://www.hindindustries.net) and on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI in association with the National Informatics Centre (NIC).
- (d) The Company has e-mail addresses, which are as under: [info@hind.in](mailto:info@hind.in) & [investors@hind.in](mailto:investors@hind.in)

#### 7. GENERAL SHAREHOLDERS INFORMATION

##### (a) ANNUAL GENERAL MEETING

DATE : September 24th, 2010  
DAY : Friday  
TIME : 9.30 A.M.  
VENUE : Bipin Chandra Pal Memorial Bhavan, A-81, Chitranjan Park New Delhi-110019

##### (b) FINANCIAL CALENDAR

Financial reporting for the  
Quarter ending June 30, 2010 : July-August, 2010  
Quarter ending September 30, 2010 : Oct.-Nov., 2010  
Quarter ending December 31, 2010 : January-Feb., 2011  
Quarter ending March 31, 2011 : April-May, 2011

##### (c) DATE OF BOOK CLOSURE

Monday, the 20th September, 2010 to Friday, the 24th September, 2010 (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 2009-2010)**

The monthly high/low prices and volume of shares of the company traded on BSE from April, 2009 to March, 2010 are given below:

MONTH & YEAR	OPEN RS.	HIGH RS.	LOW RS.	CLOSE RS.	NO. OF SHARES	NO. OF TRADES
April 09	11.95	16.34	11.93	15.00	27592	188
May 09	15.40	20.85	14.16	18.10	40776	213
June 09	19.00	22.50	15.30	16.40	154184	348
July 09	15.90	18.00	14.70	16.65	19436	164
August 09	16.00	19.20	14.90	17.70	78489	466
Sept. 09	18.20	18.85	16.05	18.05	40665	283
Oct. 09	19.20	19.95	16.00	16.75	34733	321
Nov. 09	16.55	18.50	15.10	16.90	27905	222
Dec. 09	16.95	27.00	16.10	24.35	568076	1596
Jan. 10	24.75	31.50	23.70	24.50	506167	1732
Feb. 10	26.00	30.40	21.50	23.00	391225	1539
March 10	27.00	29.40	23.00	26.65	222505	737

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 LIMITED)  
D-153/A, 1ST FLOOR,  
OKHLA INDUSTRIAL AREA, PHASE-I,  
NEW DELHI – 110020

**(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, 2010:**
**(A) SHAREHOLDING PATTERN**

Category	No. of Shares	% of Total
Promoters	3577200	41.42
Directors & Relatives	101450	1.17
Financial Institutions	254400	2.94
Nationalized Banks	200	0.00
Mutual Funds	10100	0.12
Bodies Corporate	535972	6.20
Indian Public	4073102	47.16
NRI's/OCB's	93916	1.09
<b>Total</b>	<b>8636240</b>	<b>100.00</b>

**(B) DISTRIBUTION OF SHAREHOLDING**

Slab	Shareholders		Shares Held	
	No.	Percentage	No.	Percentage
Upto 500	7640	93.38	958382	11.10
501-1000	265	3.24	214819	2.49
1001-2000	114	1.39	176850	2.05
2001-3000	31	0.38	81618	0.95
3001-4000	23	0.28	80581	0.93
4001-5000	20	0.24	93545	1.08
5001-10000	26	0.32	185299	2.15
10001 and above	63	0.77	6845146	79.26
<b>Total</b>	<b>8182</b>	<b>100.00</b>	<b>8636240</b>	<b>100.00</b>

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

The shares of the Company are compulsorily tradable in dematerialized form from January 2002, in rolling settlement segment of Bombay Stock Exchange, as per the Notification issued by the Securities and Exchange Board of India. The Company has dematerialized 50,35,114 nos. of equity shares as on 31<sup>st</sup> March, 2010 and 50,53,212 nos. of shares upto 23<sup>rd</sup> July, 2010 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: 0120-3005567, 68  
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: 14.08.2010

**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, 2010, 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 31<sup>st</sup> March, 2010, 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  
(FRN - 01411N)**

**Sd/-**

**ATUL AGGARWAL  
PARTNER  
(M.NO.99374)**

PLACE : NEW DELHI  
DATE : 14.08.2010

**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, 2010 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 31<sup>st</sup>, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31<sup>st</sup>, 2010 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 31<sup>st</sup> March, 2010;
  - a) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - a) 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  
(FRN - 01411N)

**ATULAGGARWAL**  
PARTNER  
(M. NO. 99374)

PLACE : NEW DELHI  
DATE : 14.08.2010

**ANNEXURE TO AUDITOR'S REPORT**

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

I) In respect of its fixed assets:

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

II) In respect of its inventories :

- a. As explained to us, inventories have been physically verified by the management in accordance with perpetual inventory program at regular intervals during the year.
- b. In our opinion, the procedures of physical verification of inventory followed by management are, reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper 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. 276.44 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.
- 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*  
(FRN - 01411N)

**(ATUL AGGARWAL)**

Partner

(M. No. 99374)

PLACE : New Delhi  
DATE : 14.08.2010

**BALANCE SHEET AS AT MARCH 31, 2010**

PARTICULARS	SCHEDULE	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<b>I. SOURCES OF FUNDS</b>			
<b>1 Sareholders' Funds</b>			
a) Share Capital	1	89591200	89591200
b) Reserves & Surplus	2	531050473	511336479
<b>2 Loan Funds</b>			
a) Secured	3	412215330	542942781
b) Unsecured		0	0
<b>3 Deferred Tax Liabilities</b>		58606109	62939548
<b>TOTAL</b>		<b>1091463112</b>	<b>1206810008</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>			
a) Gross Block	4	593958152	562081904
b) Less : Depreciation		274813698	249753099
c) Net Block		319144454	312328805
d) Capital Work in Progress	5	2262338	32564211
<b>Total Assets</b>		<b>321406792</b>	<b>344893016</b>
<b>2 Investment</b>	6	253830000	187500000
<b>3 Current Assets, Loans &amp; Advances</b>			
a) Inventories	7	297688836	241571601
b) Sundry Debtors	8	245504434	271804796
c) Cash and Bank Balances	9	20581936	17212941
d) Loans and Advances	10	112009865	361383701
		675785071	891973039
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	11	126717407	183153036
Provisions	12	32841344	34403011
		159558751	217556047
<b>Net Current Assets</b>		<b>516226320</b>	<b>674416992</b>
<b>TOTAL</b>		<b>1091463112</b>	<b>1206810008</b>
Significant Accounting Policies & Notes to Accounts.	21		

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  
(FRN - 01411N)**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 : 14.08.2010



**PROFIT AND LOSS ACCOUNT FOR THE YEAR  
ENDED MARCH 31, 2010**

PARTICULARS	SCHEDULE	For the Year ended 31.03.2010 (Rs.)	For the Year Ended 31.03.2009 (Rs.)
<b>INCOME</b>			
Sales	13	1224536391	1179610466
Other Income	14	18832742	14371713
Increase/(Decrease) in Stocks	15	49230130	48350244
<b>TOTAL</b>		<b>1292599263</b>	<b>1242332423</b>
<b>EXPENDITURE</b>			
Manufacturing Expenses	16	975507733	936314880
Payment to & Provision for Employees	17	22359287	18324977
Administrative & Other Expenses	18	18662423	17226433
Selling , Distribution & Other Expenses	19	165215785	140736400
Financial Expenses	20	59622307	72684432
Depreciation	4	26477588	26605949
<b>TOTAL</b>		<b>1267845123</b>	<b>1211893071</b>
<b>PROFIT / (-) LOSS BEFORE TAXATION</b>		<b>24754140</b>	<b>30439352</b>
i) Tax for Current Year		12636248	10346336
ii) Tax for Earlier Years		(8343453)	0
iii) Fringe Benefit Tax		0	514689
iv) Deferred Taxes Asset / ( Liability )		4333439	(4157809)
<b>PROFIT / (-) LOSS AFTER TAX</b>		<b>24794784</b>	<b>15420518</b>
i) Proposed Dividend		4318120	4318120
ii) Tax on Proposed Dividend		733865	733865
<b>PROFIT / (-) LOSS AFTER DIVIDEND</b>		<b>19742799</b>	<b>10368533</b>
Surplus brought forward		432222031	421853497
<b>Surplus Carried to Balance Sheet</b>		<b>451964830</b>	<b>432222030</b>
Earning per Share		2.87	1.79
Significant Accounting Policies & Notes to Accounts.	21		

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  
(FRN - 01411N)

**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 : 14.08.2010



	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<b>SCHEDULE - '1' SHARE CAPITAL :</b>		
<b>Authorised</b>		
1,60,00,000 (Previous year 1,60,00,000) Equity Shares of Rs.10/- each	<u>1,60,00,000</u>	<u>1,60,00,000</u>
<b>Issued, Subscribed &amp; Paid - Up</b>		
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 being received in cash.		
2. 1070000(Previous year 1070000) Equity Shares being of Rs. 10/- each fully paid have been allotted as Bonus Shares by capitalisation of General Reserve.		
Add : Shares Forfeited.	<u>3228800</u>	<u>3228800</u>
<b>TOTAL</b>	<u><u>89591200</u></u>	<u><u>89591200</u></u>

**SCHEDULE - '2' RESERVES & SURPLUS****REVALUATION RESERVE**

Balance as per last Balance Sheet	<u>1613153</u>		1641959	
Less : Amortization of land	<u>28806</u>	<u>1584347</u>	<u>28806</u>	1613153
Securities Premium Account		<u>74272496</u>		74272496
Capital Reserve		<u>3228800</u>		3228800

**GENERAL RESERVE**

Balance as per last Balance Sheet	<u>432222031</u>		421853497	
Add: Transferred from Profit & Loss A/C.	<u>19742799</u>	<u>451964830</u>	<u>10368533</u>	432222030
<b>TOTAL</b>	<u><u>531050473</u></u>		<u><u>511336479</u></u>	

**SCHEDULES ANNEXED TO AND FORMING PART  
OF THE BALANCE SHEET AS AT MARCH 31, 2010**

	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<b>SCHEDULE - '3' SECURED LOANS :</b>		
<b>From the Industrial Finance Corporation of India Ltd. ( IFCI )</b>		
IFCI Loan - 12.50%	<b>34500000</b>	80500000
IFCI Loan - (Interest Free)	<b>6930000</b>	16170000
(Secured by first charge by way of hypothecation/mortgage of blocked assets of the Company such as Land, Building, Plant & Machinery, Fixtures & Fittings including machinery spares, tools and accessories (save and except book depth), 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	<b>9571245</b>	22332901
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.)	<b>163184452</b>	159908556
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.)	<b>198029633</b>	261514841
<b>DEFERRED PAYMENT CREDIT</b>	<b>0</b>	2516483
Against purchase of vehicles secured by Hypothecation of vehicles, D.G Set. Repayable within in one year Rs. Nil (Previous year Rs. 2281735/-)		
<b>TOTAL</b>	<b>412215330</b>	<b>542942781</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010**
**Schedule - " 4" - Fixed Assets**

Details / Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at April 01, 2009	Additions During the year	Deductions During the year	Total as at March 31, 2010	As at April 01, 2009	For the year	Deductions During the year	Total as at March 31, 2010	As at March 31, 2009
Leasehold Land	3,105,460.00	—	—	3,105,460.00	786,716.00	41,406.00	—	828,122.00	2,318,744.00
Factory Building	63,582,714.00	—	—	63,582,714.00	28,467,935.66	2,123,662.66	—	30,591,598.32	35,114,778.34
Plant & Machinery	457,632,490.00	32,275,421.00	—	489,907,911.00	199,738,748.44	21,809,932.55	—	221,548,680.99	257,893,741.56
Furniture & Fixture	24,749,297.00	133,817.00	—	24,883,114.00	13,601,537.74	1,567,520.64	—	15,169,058.38	11,147,759.26
Office Equipment	3,545,171.00	185,300.00	—	3,730,471.00	1,631,484.61	157,926.59	—	1,789,411.20	1,913,686.39
Vehicle	6,061,133.55	—	2,395,381.00	3,665,752.55	4,119,041.95	445,830.68	(1,445,793.00)	3,119,079.63	1,942,091.60
Truck	2,632,990.00	983,295.00	—	3,616,285.00	813,855.38	298,400.54	—	1,112,255.92	1,819,134.62
Computers	754,654.00	693,795.00	—	1,448,449.00	575,784.54	61,712.04	—	637,496.58	178,869.46
Electrical Equipments	17,995.00	—	—	17,995.00	17,995.00	—	—	17,995.00	—
<b>Total</b>	<b>562,081,904.55</b>	<b>34,271,628.00</b>	<b>2,395,381.00</b>	<b>593,958,151.55</b>	<b>249,753,099.32</b>	<b>26,506,391.70</b>	<b>(1,445,793.00)</b>	<b>274,813,698.02</b>	<b>312,328,805.23</b>
Previous year	565,398,042.55	1,517,848.00	4,833,986.00	562,081,904.55	226,588,554.21	26,634,754.91	(3,470,209.80)	249,753,099.32	338,809,488.34

**SCHEDULES ANNEXED TO AND FORMING PART  
OF THE BALANCE SHEET AS AT MARCH 31, 2010**

	AS AT 31.03.2010 (Rs.)		AS AT 31.03.2009 (Rs.)	
<b>SCHEDULE - '5' CAPITAL WORK IN PROGRESS</b>				
Opening work in progress - HSRP	0		23923007	
Additions during the year	<u>0</u>	<u>0</u>	<u>0</u>	23923007
Opening bal. : Expenses incurred on HSRP project	0		5728463	
Additions during the year	<u>0</u>	<u>0</u>	<u>650403</u>	6378866
Opening bal. : Expenses incurred on Salboni project	2262338		2262338	
Additions during the year	<u>0</u>	<u>2262338</u>	<u>0</u>	2262338
<b>TOTAL</b>		<b><u>2262338</u></b>		<b><u>32564211</u></b>
<b>SCHEDULE - '6' INVESTMENT ( AT COST )</b>				
<b>EQUITY SHARES, UNQUOTED</b>				
2,42,50,000 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)		253830000		187500000
<b>TOTAL</b>		<b><u>253830000</u></b>		<b><u>187500000</u></b>
<b>CURRENT ASSETS , LOANS AND ADVANCES</b>				
<b>SCHEDULE -'7' INVENTORIES</b>				
Finished goods ( As valued, taken & Certified by the Management )		290016352		240786222
Packing Material & Others		7672484		785379
<b>TOTAL</b>		<b><u>297688836</u></b>		<b><u>241571601</u></b>
<b>SCHEDULE -'8' SUNDRY DEBTORS</b>				
<b>UNSECURED</b>				
Over Six Months - Considered Good	16590866		12378913	
Over Six Months - Considered Doubtful	4000000		4000000	
Other Debts - Considered Good	228913568		259425883	
	<u>249504434</u>		<u>275804796</u>	
Less : Provision for Doubtful Debts.	<u>4000000</u>		<u>4000000</u>	
<b>TOTAL</b>		<b><u>245504434</u></b>		<b><u>271804796</u></b>

**SCHEDULES ANNEXED TO AND FORMING PART  
OF THE BALANCE SHEET AS AT MARCH 31, 2010**

	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<b>SCHEDULE - '9' CASH AND BANK BALANCES :</b>		
Cash in hand	<u>247699</u>	<u>119819</u>
Balance with Scheduled Banks:		
i) Current Account	2657060	2612208
ii) FDR'S with Banks (Including interest accrued on FDR)	<u>17677177</u>	<u>14480914</u>
	20581936	17212941
<b>TOTAL</b>	<u><u>20581936</u></u>	<u><u>17212941</u></u>
<b>SCHEDULE - '10' LOANS &amp; ADVANCES</b>		
Advances recoverable in cash or in kind or for value to be received Unsecured		
Considered good	111087419	360308123
Considered Doubtful	<u>5600000</u>	<u>5600000</u>
	116687419	365908123
Less : Provision for Doubtful Advances	<u>5600000</u>	<u>5600000</u>
Tax Deducted at Source	922446	1075578
<b>TOTAL</b>	<u><u>112009865</u></u>	<u><u>361383701</u></u>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>SCHEDULE - '11' CURRENT LIABILITIES</b>		
Sundry Creditors	109629368	59656507
Other Liabilities	17088039	122052194
Interest Accrued but not due	0	1444335
<b>TOTAL</b>	<u><u>126717407</u></u>	<u><u>183153036</u></u>
<b>SCHEDULE - '12' PROVISIONS</b>		
Provision for Staff - Welfare Scheme	18590407	16274751
Provision for Taxation	14250937	18128260
<b>TOTAL</b>	<u><u>32841344</u></u>	<u><u>34403011</u></u>
<b>SCHEDULE - "13" SALES</b>		
Export Sales	1191680189	1127755165
Domestic Sales	32856202	51855301
<b>TOTAL</b>	<u><u>1224536391</u></u>	<u><u>1179610466</u></u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

	For the Year Ended 31.03.2010 (Rs.)	For the Year Ended 31.03.2009 (Rs.)
<b>SCHEDULE - "14" OTHER INCOME</b>		
IFCI Liability Written Back.	12761656	12761656
Interest on FDR / Margin Money	1356963	1561650
Provision for Insurance Claim-Frozen	4674649	0
Misc. Income	39474	48407
<b>TOTAL</b>	<b>18832742</b>	<b>14371713</b>
<b>SCHEDULE - "15" INCREASE/(DECREASE) IN STOCKS</b>		
Closing Stock	290016352	240786222
Opening Stock	240786222	192435978
<b>TOTAL</b>	<b>49230130</b>	<b>48350244</b>
<b>SCHEDULE - "16" MATERIALS CONSUMED &amp; MANUFACTURING EXPENSES</b>		
Raw Material Consumed	866387667	830909133
Consumable Stores Consumed	3344567	4127762
Packing Material Consumed	13472132	10714310
Power and Fuel	54377980	56596765
<b>Repairs &amp; Maintenance:-</b>		
Plant & Machinery	11072857	9648880
Building	1370057	1335097
Others	650358	354491
Wages	19367274	16718489
Worker's Welfare Expenses	1374814	823470
Insurance	430066	542678
Vehicle Running & Maintenance	2934539	3732684
Freight Inward	121720	92065
Security Charges	603702	719056
<b>TOTAL</b>	<b>975507733</b>	<b>936314880</b>
<b>SCHEDULE - "17" EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Salaries, Wages & Other Benefits	20568683	16643169
Contribution to Provident Fund	1790604	1681808
<b>TOTAL</b>	<b>22359287</b>	<b>18324977</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

	For the Year Ended 31.03.2010 (Rs.)	For the Year Ended 31.03.2009 (Rs.)
<b>SCHEDULE - "18" ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	4740000	5044896
Vehicle Running & Maintenance	817334	1241452
Travelling & Conveyance	1265493	893971
Rates, Taxes , Subscription and Fees	2607623	928702
Printing & Stationery	996179	833006
Audit Fee	606650	665360
Certification Charges	150448	145300
Legal & Professional Charges	2126148	2113486
Loss on Sale of Assets	549588	323776
Insurance Expenses	1318170	1437487
Postage Expenses	78055	255708
Telephone Expenses	1466143	1349924
Misc. Expenses	1940592	1993365
<b>TOTAL</b>	<b>18662423</b>	<b>17226433</b>
<b>SCHEDULE - "19" SELLING , DISTRIBUTION &amp; OTHER EXPENSES</b>		
Freight, Clearing & Forwarding Charges	163698053	138624153
Business Promotion Expenses	1517732	2112247
<b>TOTAL</b>	<b>165215785</b>	<b>140736400</b>
<b>SCHEDULE - "20" FINANCIAL EXPENSES</b>		
Interest on Term Loans	30753842	41947504
Interest on Working Capital, Bank Interest & Charges	28868465	30736928
<b>TOTAL</b>	<b>59622307</b>	<b>72684432</b>



**SCHEDULE- 21**

Notes forming part of Accounts as at 31<sup>st</sup> March, 2010

**A. SIGNIFICANT ACCOUNTING POLICIES****A.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements have been prepared under the Historical Cost convention, in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions 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 liabilities and the disclosures relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include 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 as on the balance sheet date.
- e) Impairments
  - (i) The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
  - (ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**A.4 INVESTMENTS**

Long Term investments in equity shares of subsidiary company are stated at cost. Provision for diminution is to be 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.

The duty credit scrip benefit under Duty Entitlement Pass Book on Post Export (DEPB-Post Export), 2009 has been reduced from raw material expenses on its realisable value.

**A.7 BORROWING COST**

Financial income and borrowing costs include interest income on bank deposit and interest expense on loans.

Interest income is accrued evenly over the period of the corresponding instrument.

Borrowing cost are recognized in the period to which they relate, regardless of how the fund have been utilized, except where it relates to the financing of construction or development of the assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalized up to the date when the asset is ready for intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowing outstanding during the period to the average amount of accumulated expenditure incurred for the assets during the period.

**A.8 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.9 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.10 TAXATION**

Tax expenses comprises of Current Income Tax and Wealth 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.11 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 is 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 . (Previous Year : NIL)

**B.2 Guarantees and other Contingencies**

(Rs. In lacs)

	<b>CURRENT YEAR As at 31-03-2010</b>	<b>PREVIOUS YEAR As at 31-03-2009</b>
a) <i>Given to Subsidiary</i>		
For Term Loan	896.41	1913.60
For Working Capital	5230.00	5230.00
b) Given to others	98.18	43.18

**C.1 Segment Reporting**

The Management of the affairs of the company and its internal reporting is only on the basis of the significant product line, i.e. meat. Hence, as per the opinion of management, segment reporting is not required. Accordingly, the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting", issued by the Institute of Chartered Accountants of India is 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 31.03.2010 Rs. in lacs
1.	Hind Agro Ind. Ltd.	Subsidiary Co.	Unsecured Loan	150.00	NIL	Debit 150.00
2	Hind Agro Ind. Ltd.	Subsidiary Co.	Business Transaction	8546.11	8537.96	Debit 8.15
3	Islamuddin & Co.	Firm in which KMP are Interested	Rent	25.42	25.42	NIL
4	Al- Mashriq Exports Pvt. Ltd.	Firm in which KMP are Interested	Business Transaction	NIL	NIL	NIL
5	Samar Travels & Cargo Pvt. Ltd.	Firm in which KMP are Interested	Business Transaction	NIL	NIL	NIL
6	Fast Trax Food Pvt. Ltd.	Firm in which KMP are Interested	Business Transaction	118.41	0.12	Debit 118.29
7	Mrs. Kiran Qureshi	Relatives of KMP	Rent	12.00	12.00	NIL
8	Hind Air Link Pvt. Ltd.	Firm in which KMP are Interested	Business Transaction	NIL	NIL	NIL
9	Aliffa Agro (India) Pvt. Ltd.	Firm in which KMP are Interested	Business Transaction	75.00	75.00	NIL
10	Eatcco Foods Pvt. Ltd.	Firm in which KMP are Interested	Business Transaction	NIL	NIL	NIL
11	Hind Air Services Pvt. Ltd.	Firm 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.No.	NAME OF THE PERSONS	NATURE OF RELATIONSHIP	NATURE OF TRANSACTION	AMOUNT (Rs. in Lacs)
1.	Shri Sirajuddin Qureshi	Managing Director	Remuneration	33.86
2.	Smt. Kiran Qureshi	Director	Rent	12.00
3.	Dr. Naseem Qureshi	Director	—	—
4.	Mr. Anil Vanjani	Chief Executive Officer	Remuneration	36.58

**C.3 Earning per Share**

Particulars	Year ending 31.03.2010	Year ending 31.03.2009
Profit After Tax	247.95 Lacs	154.21 Lacs
Weighted No. of Shares	8636240	8636240
Basic Earning per Share	2.87	1.79
Diluted Earning per Share	2.87	1.79

**C.4 PAYMENT TO AUDITORS :**

Particulars	For the year ended 31-03-2010	For the year ended 31-03-2009
Statutory Audit Fees	468775.00	412522.00
Tax Audit Fees	137875.00	111403.00
Out of Pocket Expenses	0.00	82725.00
<b>Total (Rupees)</b>	<b>606650.00</b>	<b>606650.00</b>

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

Particulars	Year Ended 31 <sup>st</sup> March, 2010	Year Ended 31 <sup>st</sup> March, 2009
a) Deferred Tax Assets on account of timing differences:		
(i) Provision for doubtful debts	32.63	32.63
(ii) Provision for Gratuity & Bonus	55.47	48.77
(iii) Provision for Leave encashment	6.15	4.97
(iv) Others	0.00	0.00
Total	<u>94.25</u>	<u>86.37</u>
b) Deferred Tax Liability on account of timing differences:		
(i) Depreciation on fixed assets	680.31	715.77
Total	<u>680.31</u>	<u>715.77</u>
<b>Net Deferred Tax Liability (b-a)</b>	<b>586.06</b>	<b>629.40</b>

**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. 414.30 lacs. Also the loan of Rs. 1631.84 lacs from the Bank of India is secured by Personal Guarantees 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, the company is making payment as per revised terms.

**C.11** High Security Registration Number Plate (HSRNP) project has started commercial Production. Accordingly, amount spent on the Capital Work In Progress have been capitalized under respective assets heads.

**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 Research and Development Expenses :- NIL** (Previous year- NIL).

**C.14 Amount due to small scale industrial undertakings / suppliers under the MSME Act, 2006 :**

The company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act could not be furnished.

**C.15** Fire broke-out at Sahibabad Plant of the Company and some finished goods were destroyed. As per the report of the Surveyor, the company has lodged a claim of Rs. 44 lacs with the insurance company. The effect of the same has been taken in the Profit and Loss Account, which is pending for final settlement. The difference, if any, will be accounted for as and when received.

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

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

	ITEMS	QUANTITY (MT) AS AT 31-03-2010	QUANTITY (MT) AS AT 31-03-2009
Licensed Capacity*	Fresh & Frozen Meat	25000.000	25000.000
Installed Capacity*	Fresh & Frozen Meat	25000.000	25000.000
Actual Production	Fresh	2922.275	2953.685
	Frozen	4368.876	4722.716
		<b>7291.151</b>	<b>7676.401</b>

\* 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, 2010**

Items	Opening Stock (MT)	Value (Rs)	Production (MT)	Sales (MT)	Value (Rs)	Closing Stock (MT)	Value (Rs)
Fresh	Nil (Nil)	Nil (Nil)	2,922.275 (2,953.685)	2,922.275 (2,953.685)	68,63,09,893 (57,62,30,941)	Nil (Nil)	Nil (Nil)
Frozen	2,457.577 (2,528.949)	24,07,86,222 (19,19,20,714)	4,420.949 (4,722.716)	4,368.876 (4,794.088)	51,56,82,003 (55,15,24,224)	* 2,459.850 (2,457.577)	29,00,16,352 (24,07,86,222)

\* 49.800 MT Quantity Damaged due the Fire (Refer Note no. C.15).

(Figures in bracket represent previous year figures)

**C. DETAIL OF RAW MATERIAL CONSUMED**

Items	Year ended 31 <sup>st</sup> March, 2010		Year ended 31 <sup>st</sup> March, 2009	
	Quantity (MT)	Value (Rs)	Quantity (MT)	Value (Rs)
Fresh	2962.371	470295732	2963.311	431297821
Frozen	4444.647	416358290	4750.565	391685344

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

**E. VALUE OF IMPORTS**

	For the year ended on 31.03.2010 (Rs)	For the year ended on 31.03.2009 (Rs)
Value of Imports(CIF Value)	Nil	Nil

**F. EARNING IN FOREIGN CURRENCY**

	For the year ended on 31.03.2010 (Rs)	For the year ended on 31.03.2009 (Rs)
FOB Value of Export Goods	1042674663	976904158

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

- (a) Salaries include remuneration payable to Chairman & Managing Director amounting to Rs. 31,05,000/- (Previous Year – 31,05,000/-)
- (b) Commission Payable as follows :

Particulars	Amount (in Rs)
Net Profit/ (Loss) as per Profit & Loss A/c	24754140
<i>Add:</i>	
Depreciation as per Profit & Loss A/c	26477588
Director's Remuneration	3105000
Sitting Fee Paid	—
Commission paid	281405
	54618133
<i>Less :</i>	
Depreciation as per Section 350 of the Companies Act, 1956	26477588
Net Profit /(Loss) available for Director's remuneration	28140545
Commission Payable Rs. 281,405/-	28140545
The Commission payable to the Chairman & Managing Director is restricted to Rs. 281,405/- 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**

**As per Report of even date attached**

**SIRAJUDDIN QURESHI**  
Chairman & Managing Director

**DR. NASEEM QURESHI**  
Director

**For & on behalf of**  
**M.K.AGGARWAL & CO.**  
Chartered Accountants  
(FRN - 01411N)

**ANIL VANJANI**  
Chief Executive Officer

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

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

**MOHD. ALI SHAUKAT**  
DGM  
(Finance & Accounts)

**SAMAR BHATIA**  
Company Secretary

PLACE : NEW DELHI  
DATE : 14.08.2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH - 2010**

[Amount Rs. In lacs]

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation as per Profit & Loss Account	247.54	304.39
<b>ADJUSTMENTS FOR</b>		
Depreciation	264.78	266.06
Adjustment in Depreciation for Fixed Assets sale	5.50	3.24
Tax for the Year	(126.36)	(103.46)
Fringe Benefit Tax	—	(5.15)
I.F.C.I Restructuring Account Written Back	(127.62)	(127.62)
Tax for earlier Year	83.43	—
Interest Paid	596.22	726.84
Operating profit before working capital & Dividend	943.49	1,064.30
<b>INCREASE / ( DECREASE ) IN WORKING CAPITAL</b>		
Sundry Debtors	263.00	72.94
Inventory	(561.17)	(483.14)
Trade Receivable	2,493.74	(1,221.41)
Trade Payable	(579.97)	1,347.77
<b>NET CASH FROM OPERATING ACTIVITIES.....A</b>	<b>2,559.08</b>	<b>780.46</b>
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(34.48)	(15.18)
Proceeds from Sale of Fixed Assets	4.00	10.40
Investment in Subsidiary	(663.30)	—
Capital work in progress	(5.22)	(6.50)
<b>NET CASH USED IN INVESTING ACTIVITIES.....B</b>	<b>(699.00)</b>	<b>(11.28)</b>
<b>C) CASH FLOW FROM FINANCE ACTIVITIES</b>		
Secured Loan	(544.80)	(436.95)
Unsecured Loan	—	(104.45)
Proceeds from Borrowings	(634.85)	449.51
Dividend Paid	(43.18)	(43.18)
Tax on Dividend	(7.34)	(7.34)
Interest paid	(596.22)	(726.84)
<b>NET CASH USED IN FINANCE ACTIVITIES.....C</b>	<b>(1,826.39)</b>	<b>(869.25)</b>
<b>CASH FLOW DURING THE YEAR.....(A+B-C)</b>	<b>33.69</b>	<b>(100.07)</b>
Cash & Cash Equivalents (Opening Balance)	172.13	272.20
Cash & Cash Equivalents (Closing Balance)	205.82	172.13

For and on behalf of the Board

As per our report of even date attached

For &amp; on behalf of

SIRAJUDDIN QURESHI  
Chairman & Managing DirectorDR.NASEEM QURESHI  
DirectorANIL VANJANI  
Chief Executive OfficerM. K. AGGARWAL & CO  
Chartered Accountants  
FRN : 01411NR.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 : 14.08.2010

**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. 

6	6	6	7
---	---	---	---

 State Code 

5	5
---	---

Balance Sheet Date 

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

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

N	I	L
---	---	---

 Right issue 

N	I	L
---	---	---

Bonus issue 

N	I	L
---	---	---

 Private Placement 

N	I	L
---	---	---

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**Total Liabilities 

1	0	9	6	5	1	5
---	---	---	---	---	---	---

 Total Assets 

1	0	9	6	5	1	5
---	---	---	---	---	---	---

**SOURCES OF FUNDS**Paid-up-Capital 

8	9	5	9	1
---	---	---	---	---

 Reserves & Surplus 

5	3	6	1	0	2
---	---	---	---	---	---

Secured Loans 

4	1	2	2	1	5
---	---	---	---	---	---

 Unsecured Loans 

N	I	L
---	---	---

Deferred Tax Liability 

5	8	6	0	6
---	---	---	---	---

**APPLICATION OF FUNDS**Net Fixed Assets 

3	2	1	4	0	7
---	---	---	---	---	---

 Investments 

2	5	3	8	3	0
---	---	---	---	---	---

Net Current Assets 

5	2	1	2	7	8
---	---	---	---	---	---

 Misc. Expenditure 

N	I	L
---	---	---

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

1	2	2	4	5	3	6
---	---	---	---	---	---	---

 Total Expenditure 

1	2	6	7	8	4	5
---	---	---	---	---	---	---

Profit/(Loss) before tax 

2	4	7	5	4
---	---	---	---	---

 Profit / (Loss) After Tax 

2	4	7	9	5
---	---	---	---	---

Earning Per Share (in Rs.) 

2	.	8	7
---	---	---	---

 Dividend Rate% 

5	%
---	---

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY**Item Code (I.T.C. Code) 

1	2	0	6	1	0
---	---	---	---	---	---

Product Description 

F	R	E	S	H	&	F	R	O	Z	E	N	-	M	E	A	T
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

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

**For and on behalf of the Board****As per 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  
FRN : 01411N**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 : 14.08.2010



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

1. Name of subsidiary : HIND AGRO INDUSTRIES LTD.
2. Financial Year of the subsidiary ended on : 31<sup>st</sup> March, 2010.
3. Shares of the subsidiary held by the Company on the above date :
  - a) Number and face value : 2,42,50,000 Equity Shares of the face value of Rs. 10/- each fully paid up.
  - b) Extent of holding : 73.15%
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 31<sup>st</sup> March, 2010. : Nil
  - b) Not dealt with in the accounts of the company for the year ended 31<sup>st</sup> March, 2010. : Rs. 3.80 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 31<sup>st</sup> March, 2010. : Nil
  - b) Not dealt with in the accounts of the company for the year ended 31<sup>st</sup> March, 2010. : Rs. 28.29 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 : 14.08.2010

## DIRECTORS' REPORT

Dear Members,

Your Directors presents the Sixteenth Annual Report of your Company together with the Audited Accounts for the year ended on March 31, 2010.

### FINANCIAL HIGHLIGHTS

PARTICULARS	(Rs. in Lacs)	
	2009-10	2008-09
Total Sales & Other Income	<b>69184.81</b>	63838.10
Profit before Depreciation, Interest & Tax	<b>3130.11</b>	3159.52
Depreciation	<b>666.13</b>	645.25
Interest	<b>1530.01</b>	1954.71
Profit/(Loss) before Tax	<b>933.96</b>	559.56
Less: Prior Period Expenses	<b>2.69</b>	1.57
Less: Provision for Tax	<b>190.70</b>	91.81
Profit After Tax for the current year	<b>740.57</b>	466.18
Add: Deferred Tax Expense/(Income)	<b>220.54</b>	(1050.62)
Total Profit for the year	<b>520.02</b>	1516.79
Balance brought forward	<b>5004.90</b>	3488.11
Balance carried to Balance Sheet	<b>5524.93</b>	5004.90

### OPERATIONS

Your Directors are pleased to inform you that the financial performance of the company has improved during the year under review. The turnover of the company increased to Rs.686.13 Crores during the year 2009-10 from Rs.632.82 Crores in the previous financial year 2008-09, thereby making a growth of around 8.42% during the year. Profit Before Tax increased to Rs.9.34 crores as compared to Rs.5.59 crores in the previous year ended 31<sup>st</sup> March, 2009.

### 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 31<sup>st</sup> March, 2010.

### PROSPECTS

Having witnessed faster recovery in World Economy in 2009, IMF estimates a positive economic rebound in 2010. World GDP growth is estimated at the rate of

4.2% in 2010 while Advanced World and Emerging World is estimated to grow 2.3% and 6.3%, respectively. Further WTO projects World Trade to expand by 9.5% with Advanced World increasing by 7.5% and Emerging World by 11%. Nonetheless, with the timely stimulated economic efforts, the depth, span and intensity of the economic catastrophic spread in 2008, seems to be partially taken care of. Even in these trying times, India has shown an Economic Growth of 7.2% and prospects for the Economy look far better and promising in 2010-11.

Your company last year bagged work order for constructing, operating and maintaining of Modern Slaughter House at Perambur, Chennai on Design, Build, Operate and Transfer (DBOT) basis, the construction has already started and Commencement of Production is expected in year 2010-11.

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.

### 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

Mr. B. B. Huria and Mrs. Kiran Qureshi, Directors retires by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting of the Company.

The Board recommends their re-appointment as Director 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, 2010, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures;
- (ii) the Directors had 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 had 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 had prepared the Accounts for the financial year ended March 31, 2010, on a going concern basis.

appointed, by way of Special Resolution at the ensuing Annual General Meeting by the shareholders of the Company and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

**AUDITOR'S REPORT**

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

**AUDITORS**

The Statutory Auditors M/s Vipin Aggarwal & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to act as auditors of the Company, if

**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:-

<i>Name of the Employee</i>	<i>Designation</i>	<i>Qualification</i>	<i>Age</i>	<i>Remuneration (Amt in Rs.)</i>	<i>Experience</i>	<i>Date of employment</i>	<i>Previous employment</i>
Mr. Samar Qureshi	Whole Time Director	BBM	36 years	29,34,000	10 years	01.10.2005	Not Applicable

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

The statement pursuant to Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988, is given in the Annexure forming part of the Report.

**ANNEXURE TO DIRECTORS' REPORT**
**INFORMATION IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**
**ACKNOWLEDGMENTS**

Your Directors take this opportunity to express their appreciation for the cooperation and assistance received from the Government of India and the State of Uttar Pradesh, Tamil Nadu, the financial institutions, banks as well as the shareholders during the year under review. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by all employees of the Company.

**(A) CONSERVATION OF ENERGY**
**(a) Energy conservation measures taken:**

The Company has adopted the following energy conservation measures:

- A High Rate Bio-Methanation Plant with Japanese Collaboration is installed to control the pollution and introduce the waste-to-energy generation program under the auspices of Ministry of Non-Conventional Energy Sources (MNES)-Government of India and Central Leather Research Institute (CLRI).

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

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

- Reduction of pollution and generation of energy from wastes.

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

Place : New Delhi      **SAMAR QURESHI**      **SIRAJUDDIN QURESHI**  
Date : 13.08.2010      DIRECTOR                      MANAGING DIRECTOR

**(c) Total energy consumption:**
**I. Power and fuel consumption.**

	Current Year	Previous Year
1. Electricity		
(a) Purchased		
Unit	<b>5447362</b>	709062
Total amount	<b>25439483</b>	3654424
Rate/unit	<b>4.67</b>	5.15
(b) Own generation		
(i) Through diesel generator Units	<b>9873943</b>	16090285
Units per ltr. of diesel oil	<b>3.67</b>	3.53
Cost/unit	<b>Rs.8.29</b>	Rs.8.26
(ii) Through steam turbine/generator	<b>NA</b>	NA
Units	<b>NA</b>	NA
Units per ltr. of fuel oil/gas	<b>NA</b>	NA
Cost/unit	<b>NA</b>	NA
2. Coal (specify quality and where used)		
Quantity (tonnes)	<b>NA</b>	NA
Total Cost	<b>NA</b>	NA
Average rate	<b>NA</b>	NA
3. Furnace oil (Boiler)		
Quantity (ltrs)	<b>1847205</b>	1067209
Total amount	<b>44618749</b>	19607604
Average rate	<b>24.15</b>	18.37
4. Others		
HSD oil (BOILER)		
Quantity	<b>881026</b>	1284137
Total Cost	<b>26793267</b>	38629634
Rate/Unit	<b>30.41</b>	30.08

**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		<b>0.28</b>	0.35
-Furnace oil		<b>NA</b>	NA
-Coal (specify quality)		<b>NA</b>	NA
-Others (specify)		<b>NA</b>	NA

**(B) TECHNOLOGY ABSORPTION:**
**(d) 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	<b>NIL</b>	NIL
ii). Recurring	<b>Rs.17.41Lacs</b>	Rs. 18.80Lacs
iii). Total	<b>Rs.17.41Lacs</b>	Rs. 18.80Lacs
iv). Total R & D expenditure as a percentage of total turnover	<b>0.025%</b>	0.03%

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Total Foreign Exchange used and earned:

(Rs. In Lacs)

	Current Year	Previous Year
(i) Total Foreign Exchange earned (FOB Value)	<b>62087.56</b>	54809.69
(ii) Total Foreign Exchange used	<b>390.41</b>	255.84

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

 Place: New Delhi **SAMAR QURESHI** **SIRAJUDDIN QURESHI**  
 Date : 13.08.2010 DIRECTOR MANAGING DIRECTOR

## AUDITORS' REPORT

To  
THE MEMBERS OF  
HIND AGRO INDUSTRIES LTD.

1. We have audited the attached Balance Sheet of M/s HIND AGRO INDUSTRIES LIMITED as at 31<sup>st</sup> March, 2010 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, 2010, 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, 2010 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, 2010; 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  
(FRN - 014454N)

PLACE : NEW DELHI  
DATE : 13.08.2010

**(VIPIN AGGARWAL)**  
Partner  
Membership No. 016544

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

- (b) As informed to us, most of the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification as per explanation and information given to us.
- (c) In our opinion, there was no substantial disposal of fixed assets during the year, which affects the going concern status of the company.
- (ii) (a) As explained to us, the management has conducted physical verification of inventory at reasonable intervals.
- (b) The procedures of physical verification of inventory followed by management are, in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory and as explained to us there were no material discrepancies noticed on such physical verification.
- (iii) (a) As informed to us, the company has granted interest free advances, 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. 422.28 lacs (maximum amount outstanding during the year – Rs. 644.41 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. 47.31 lacs is due to other parties including holding company reflected as 'Other Liabilities' in the schedule "Current Liabilities" (maximum amount Rs. 3169.14 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, 2010. The company has not incurred any cash losses during the financial year ended March 31, 2010 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-schedulment 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  
(FRN - 014454N)

PLACE : NEW DELHI  
DATE : 13.08.2010

**(VIPIN AGGARWAL)**  
Partner  
Membership No. 016544

**BALANCE SHEET AS AT MARCH 31, 2010**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>AS AT 31.03.2010 (Rs.)</b>	<b>AS AT 31.03.2009 (Rs.)</b>
<b>SOURCES OF FUNDS</b>			
<b>1 Shareholders' Funds</b>			
a) Share Capital	1	331500700	331500700
b) Reserves & Surplus	2	552492714	500490089
<b>2 Loan Funds</b>			
a) Secured	3	1434124922	1431789255
b) Unsecured	4	15000000	15000000
<b>TOTAL</b>		<b>2333118336</b>	<b>2278780044</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>			
a) Gross Block	5	1430850337	1409314795
b) Less : Depreciation		639898698	577820446
c) Net Block		790951639	831494349
d) Capital Work In Progress		56733414	37725364
		<b>847685053</b>	<b>869219713</b>
<b>2 Deferred Tax Assets</b>			
		71842683	93897020
<b>3 Current Assets, Loans &amp; Advances</b>			
a) Inventories	6	612011157	613265027
b) Sundry Debtors	7	685406329	779388093
c) Cash and Bank Balances	8	149267931	192936900
d) Loans and Advances	9	624812396	492229964
		<b>2071497813</b>	<b>2077819983</b>
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	10	620586158	737960399
Provisions	11	37321055	24196273
		<b>657907213</b>	<b>762156672</b>
<b>Net Current Assets</b>		<b>1413590600</b>	<b>1315663311</b>
<b>TOTAL</b>		<b>2333118336</b>	<b>2278780044</b>
Significant Accounting Policies & Notes to 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  
(FRN - 014454N)

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

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

**(VIPIN AGGARWAL)**

PLACE : NEW DELHI  
DATE : 13.08.2010

Partner  
Membership No. 016544



**PROFIT AND LOSS ACCOUNT FOR THE YEAR  
ENDED MARCH 31, 2010**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>Year ended 31.03.2010 (Rs.)</b>	<b>Year Ended 31.03.2009 (Rs.)</b>
<b>INCOME</b>			
Sales	12	6861254072	6328193050
Other Income	13	57226989	55617367
Increase/(Decrease) in Stocks	14	(10406207)	54691940
<b>TOTAL</b>		<b>6908074854</b>	<b>6438502357</b>
<b>EXPENDITURE</b>			
Materials Consumed & Manufacturing Expenses	15	6121783494	5776266780
Employees Remuneration & Benefits	16	33201535	27101358
Administrative & Other Expenses	17	67426590	61426233
Marketing Expenses	18	372652451	257756172
Financial Expenses	19	153001415	195471055
Depreciation	5	66613340	64525188
<b>TOTAL</b>		<b>6814678825</b>	<b>6382546786</b>
<b>PROFIT /(-) LOSS BEFORE TAXATION</b>		<b>93396029</b>	<b>55955571</b>
<b>Taxation :</b>			
Current tax (including Rs. 97721/- for Wealth Tax, Previous Year Rs. 56163/-)		17350812	6395929
Add: Fringe Benefit Tax		0	2119722
Deferred Tax Expenses/Income		22054337	105062020
Taxes for Earlier years		1719217	665670
<b>PROFIT /(-) LOSS AFTER TAXATION BUT BEFORE PRIOR PERIOD ADJUSTMENTS</b>		<b>52271663</b>	<b>151836270</b>
Prior Period Expenses		269038	157339
<b>PROFIT /(-) LOSS AFTER TAXATION &amp; PRIOR PERIOD ADJUSTMENTS</b>		<b>52002625</b>	<b>151678931</b>
Balance brought forward		500490089	348811158
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>552492714</b>	<b>500490089</b>
<b>Surplus Carried to Balance Sheet</b>		<b>552492714</b>	<b>500490089</b>
Basic and Diluted Earning per Share		1.57	4.58
Significant Accounting Policies & Notes to 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  
(FRN - 014454N)

**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 : 13.08.2010

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2010**

<b>PARTICULARS</b>	<b>AS AT 31.03.2010 (Rs.)</b>	<b>AS AT 31.03.2009 (Rs.)</b>
<b>SCHEDULE - '1' SHARE CAPITAL :</b>		
<b>Authorised</b>		
4,60,00,000 (Previous year 4,60,00,000) Equity Shares of Rs.10/- each	<u>4,60,00,000</u>	<u>4,60,00,000</u>
<b>Issued, Subscribed &amp; Paid - Up</b>		
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. 24250000 (Previous year 18750000) Equity Shares are held by the holding Company - Hind Industries Limited.		
<b>TOTAL</b>	<u><u>331500700</u></u>	<u><u>331500700</u></u>
<b>SCHEDULE - '2' RESERVES &amp; SURPLUS</b>		
Surplus, being balance in Profit & Loss Account	<u>552492714</u>	<u>500490089</u>
<b>TOTAL</b>	<u><u>552492714</u></u>	<u><u>500490089</u></u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2010**

<b>PARTICULARS</b>	<b>AS AT 31.03.2010 (Rs.)</b>	<b>AS AT 31.03.2009 (Rs.)</b>
<b>SCHEDULE - '3' SECURED LOANS :</b>		
<b>A. Rupee Term Loan</b>		
IFCI Negotiated Loan	<b>58200000</b>	104760000
IDBI Negotiated Loan	<b>26000000</b>	76000000
IDBI Funded (interest) Loan		7688000
Interest accrued & Due IDBI		2912745
Liability under IFCI Restructuring Account	<b>39626976</b>	71328564
Liability under IDBI Restructuring Account	<b>7254990</b>	21206898
<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 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>B. Working Capital Loans from Banks</b>	<b>1278408996</b>	1118515903
<p>(Secured against hypothecation of stocks &amp; 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>		
<b>C. Deferred payments credit against purchase of vehicles</b>	<b>19193215</b>	29377145
<p>(Secured against hypothecation of vehicles - repayable within one year Rs.11871947) (Previous Year Rs. 14566017)</p>		
	<b>TOTAL</b>	
	<b>1434124922</b>	<b>1431789255</b>
<b>SCHEDULE - '4' UNSECURED LOANS :</b>		
From Holding Company	<b>15000000</b>	15000000
	<b>TOTAL</b>	
	<b>15000000</b>	<b>15000000</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010**  
**SCHEDULE '5' FIXED ASSETS**

(in Rupees)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As At 01.04.2009	Addition During The Period	Sales During The Year	Adjust- ments	Total As At 31.03.2010	Up To 31.3.2009	For The Year	Adjust- ments	Up To 31.3.2010	As At 31.03.2010	As At 31.03.2009	
LAND (Freehold)	23393455	0	0	0	23393455	0	0	0	0	23393455	23393455	
BUILDINGS	210041204	0	0	0	210041204	66176793	7015376	0	73192169	136849035	143864411	
PLANT & MACHINERY	1102914661	17051339	0	5000000	1114966000	480617147	52716316	-712500	532620963	582345037	622297514	
VEHICLES	36250033	6666998	1834438	0	41082593	12977793	3614504	-1422130	15170167	25912427	23272240	
TRUCKS	11249534	341700	2432434	0	9158800	5738267	1093952	-2400459	4431760	4727040	5511267	
FURNITURE & FIXTURES	6687168	3889893	0	0	10577061	3069414	481403	0	3550817	7026243	3617754	
COMPUTERS	10558745	1357015	0	0	11915760	6527977	1268352	0	7796329	4119431	4030769	
OFFICE EQUIPMENTS	8219994	1495470	0	0	9715464	2713056	423437	0	3136493	6578971	5506939	
<b>TOTAL</b>	<b>1409314794</b>	<b>30802415</b>	<b>4266872</b>	<b>5000000</b>	<b>1430850337</b>	<b>577820447</b>	<b>66613340</b>	<b>-4535089</b>	<b>639898698</b>	<b>790951639</b>	<b>831494349</b>	
PREVIOUS YEAR	1378473019	44024775	13183000	0	1409314794	518705761	64525188	-5410502	577820447	831494349	859767258	

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2010**

<b>PARTICULARS</b>	<b>AS AT 31.03.2010 (Rs.)</b>	<b>AS AT 31.03.2009 (Rs.)</b>
<b>SCHEDULE - '6' INVENTORIES</b>		
(As valued and certified by the Management)		
Semi Finished Goods	9095000	3500228
Finished Goods	574733887	590734867
Stores & Spares	28182270	19029931
<b>TOTAL</b>	<b>612011157</b>	<b>613265026</b>
<b>SCHEDULE - '7' SUNDRY DEBTORS</b>		
<b>(Unsecured)</b>		
Over six months - Considered good	6696562	18343189
Other Debtors	678709767	761044904
<b>TOTAL</b>	<b>685406329</b>	<b>779388093</b>
<b>SCHEDULE - '8' CASH AND BANK BALANCES :</b>		
Cash in hand (as certified)	3784217	801816
Cheques & DD in hand	8118037	11941237
Balance with Scheduled Banks:		
l) in Current Account	35189298	67090827
ii) in F.D.R. (Including interest accrued on FDR)	102176379	113103020
<b>TOTAL</b>	<b>149267931</b>	<b>192936900</b>
<b>SCHEDULE - '9' LOANS &amp; ADVANCES</b>		
<b>(Unsecured - Considered Good)</b>		
Advances recoverable in cash or in kind or for value to be received - includes Rs.422.28 lacs due from Companies in which the Directors of the Company are either Director or Member (Previous year Rs.405.59 lacs)	611544696	478858966
Balance with Excise Authorities	8247228	7427960
Advance Tax (AY 2010-2011)	300000	0
Advance Tax (AY 2006-2007)	0	500000
Tax Deducted at Source	4720472	5443037
<b>TOTAL</b>	<b>624812396</b>	<b>492229963</b>
<b>SCHEDULE - '10' CURRENT LIABILITIES :</b>		
<b>Sundry Creditors</b>		
a) Total outstanding dues of creditors other than micro, small and medium enterprises	346478796	239112748
b) Other Liabilities (includes advance from Holding Company Rs.814731 maximum amount during the year Rs.231912606), Previous Year advance Rs.252562645 maximum amount Rs. 282603950.	273903263	498503235
Interest accrued but not due	204099	344416
<b>TOTAL</b>	<b>620586158</b>	<b>737960399</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

<b>PARTICULARS</b>	<b>For the Year Ended 31.03.2010 (Rs.)</b>	<b>For the Year Ended 31.03.2009 (Rs.)</b>
<b>SCHEDULE - '11' PROVISIONS:</b>		
Provision for Taxation	19315004	7462640
Provision for Staff Benefits Scheme	18006051	16733633
<b>TOTAL</b>	<b>37321055</b>	<b>24196273</b>
<b>SCHEDULE - "12" SALES</b>		
Export Sales	6422670789	5746863472
Sale of Waste & By-Products	438583283	581329578
<b>TOTAL</b>	<b>6861254072</b>	<b>6328193050</b>
<b>SCHEDULE - "13" OTHER INCOME</b>		
Misc. Income	0	4142949
Interest on FDR	9184794	7495152
Profit on sale of Licence	2247982	0
Profit on sale of Fixed Assets	140717	0
IDBI Liability written back	13951908	12277678
IFCI Liability written back	31701588	31701588
<b>TOTAL</b>	<b>57226989</b>	<b>55617367</b>
<b>SCHEDULE - "14" INCREASE/(DECREASE) IN STOCKS</b>		
Closing Stock	583828887	594235095
Less : Opening Stock	594235094	539543155
<b>TOTAL</b>	<b>(10406207)</b>	<b>54691940</b>
<b>SCHEDULE - "15" MATERIALS CONSUMED &amp; MANUFACTURING EXPENSES</b>		
Raw Material Consumed	5744244460	5387479845
Power and Fuel	178451342	198108702
Packing Material Consumed	107033951	103080080
Wages	21476360	20410372
Labour Welfare Expenses	2730793	2665277
Consumable Stores Consumed	27724729	22857839
Repairs & Maintenance:-		
— Plant & Machinery	22182226	23767056
— Building	1318465	1464010
Insurance	592402	938664
Inward Freights/Cartage	1928391	1888355
Inspection Charges	4294115	4432303
Truck Running & Maintenance	1479248	1338164
Security Charges	2452527	2071988
Horticulture Expenses	629266	786381
Research & Development Exps.	1740851	1879595
Cess Water & UPCCB	129685	163782
Others	3374683	2934367
<b>TOTAL</b>	<b>6121783494</b>	<b>5776266780</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

<b>PARTICULARS</b>	<b>For the Year Ended 31.03.2010 (Rs.)</b>	<b>For the Year Ended 31.03.2009 (Rs.)</b>
<b>SCHEDULE - "16" EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Salaries & Other Benefits	31242617	25231240
Contribution to Provident Fund	1958918	1870118
<b>TOTAL</b>	<b>33201535</b>	<b>27101358</b>
<b>SCHEDULE - "17" ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	22479033	16042289
Vehicle Expenses	4392952	3938976
Conveyance & Travelling (Including Directors' Travelling of Rs.8729066) (Previous Year Rs.6022029)	15734810	9153688
Rates, Taxes Subscription and Fees	2885238	2549756
Electricity & Water Expenses	1777393	693346
Security Service Charges	640227	541841
Printing & Stationery	3171311	2857777
Audit Fee	628710	628710
Legal & Professional Charges (Including paid to Directors' Rs.352000)	3795451	4200103
Repair & Maintenance Office	5447701	6462706
Loss on Sale of Fixed Assets	0	5487498
Insurance	3181057	4198279
Telephone , Postage & Telegram	2894696	3072636
Misc. Expenses	398011	1598628
<b>TOTAL</b>	<b>67426590</b>	<b>61426233</b>
<b>SCHEDULE - "18" MARKETING EXPENSES</b>		
Freight, Clearing & Forwarding Charges	325602408	226446067
Business Promotion Expenses	17429263	15390873
Commission	29620780	15919232
<b>TOTAL</b>	<b>372652451</b>	<b>257756172</b>
<b>SCHEDULE - "19" FINANCIAL EXPENSES</b>		
Interest on Term Loans	12330087	20501860
Interest on Working Capital, other Bank Interest & Charges	140671328	174969195
<b>TOTAL</b>	<b>153001415</b>	<b>195471055</b>

**SCHEDULE – ‘20’ - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:  
COMPANY OVERVIEW**

Hind Agro Industries Ltd. is a Unit engaged in the processing of frozen and fresh meat.

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

The Financial Statements have been prepared under the Historical Cost convention, in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**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.

Grants for Fixed Assets are accounted for on earned basis and the amount of grant is deducted from the capital cost of the respective assets.

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 account.

**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. The benefits against raw material under Duty Entitlement Pass Book on Post Export (DEPB-Post Export), 2009 are reduced from the cost for purpose of valuation of closing stock.

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, the sale of goods is recognised at the time of shipped on board and in case of by- product, the 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.  
The duty credit scrip benefit under Duty Entitlement Pass Book on Post Export (DEPB-Post Export), 2009 has been reduced from raw material expenses under the head materials consumed and manufacturing 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.

**(B) NOTES FORMING PART OF THE ACCOUNTS**
**1. CONTINGENT LIABILITIES NOT PROVIDED FOR (RS. IN LACS)**

	<i>As on 31.03.2010</i>	<i>As on 31.03.2009</i>
a) Outstanding guarantee & counter guarantee to various banks.	<b>328.06</b>	206.40

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

SR. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Debit Rs in lacs	Credit Rs in lacs	Balance Amount on 31.03.2010 (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	8537.96	8546.11	Cr. 8.15
3.	Al-Mashriq Exports Pvt. Ltd.	Company in which Directors are interested.	Rent, Business Transactions	179.98	179.97	Dr. 00.01
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	48.00	48.00	NIL
6.	Hind Air Link Pvt Ltd	Company in which Directors are interested.	Business Transactions	198.67	181.42	Dr. 17.25
7.	Hind Air Services Pvt Ltd	Company in which Directors are interested.	Business Transactions	16.35	3.05	Dr. 13.30
8.	Fast Trax Food Pvt Ltd	Company in which Directors are interested.	Business Transactions	2713.59	2737.77	Cr. 24.18
9.	Hind Biopharmaceuticals Ltd.	Company in which Directors are interested	Business Transactions	70.00	NIL	Dr. 70.00
10.	Samar Travels & Cargo Pvt. Ltd.	Company in which Directors are interested	Business Transactions	207.08	72.99	Dr. 134.09
11.	Integrated LiveStock Village Farm Pvt. Ltd.	Company in which Directors are interested	Business Transactions	57.84	NIL	Dr. 57.84
12.	Prime Packaging	Firm in which Directors are interested.	Supply of Packing Material.	196.27	211.25	Cr. 14.98
13.	Hind Infra Engineers Ltd	Company in which Directors are interested	Business Transactions	180.91	51.12	Dr. 129.79

**B. Key Management Personnel**

S.No.	NAME OF THE PERSONS	NATURE OF RELATIONSHIP
1.	Shri Sirajuddin Qureshi	Managing Director
2.	Smt. Kiran Qureshi	Director
3.	Dr. S. K. Ranjhan	Director
4.	Dr. Naseem Qureshi	President
5.	Mr. Samar Qureshi	Whole Time Director
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                   | 57.17                       |
| b) Rent & Security           | Rs. lacs                   | 54.00                       |
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 increased by Rs. 223.46 lacs. (Previous year increase - Rs. 24.02 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 IFICI, 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. 139.52 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 :

	<b>For the year ended</b> <b>31-03-2010</b>	<b>For the year ended</b> <b>31-03-2009</b>
Statutory Audit Fees	<b>518410.00</b>	477048.00
Tax Audit Fees	<b>110300.00</b>	96512.00
Out of Pocket Expenses	<b>0.00</b>	55150.00
<b>Total (Rupees)</b>	<b><u>628710.00</u></b>	<u>628710.00</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 <sup>st</sup> March, 2010	Year Ended 31 <sup>st</sup> March, 2009
<b>a) Deferred Tax Asset</b>		
<b>on account of timing differences:</b>		
(i) Provision for Gratuity & Bonus	50.57	45.52
(ii) Provision for Leave Encashment	10.63	11.36
(iii) Carry Forward Losses	496.31	875.39
(iv) Depreciation on Fixed Assets	160.91	118.35
<b>Total</b>	<b>718.43</b>	<b>1050.62</b>
<b>b) Deferred Tax Liability</b>		
<b>on account of timing differences:</b>		
(i) Depreciation on Fixed Assets	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
Net Deferred Tax Asset (a-b)	718.43	1050.62
LESS : Deferred Tax Asset for the previous year	938.97	111.65
<b>Net Deferred Tax Asset / (Liability) for the Year</b>	<b>(220.54)</b>	<b>938.97</b>

**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. 324.39 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 upto a limit of Rs. 7594.39 lacs. The Sales tax assessments have been completed upto December, 2007. However, the balance amount to be adjusted from 01.04.2010 to 25.06.2012 is Rs. 4105.28 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.5,54,518/- (Previous Year–Rs. 39,27,513/-).

B) In respect of Spares – Rs. 36,88,208/- (Previous Year – Rs. 21,95,824/-)

**II) Expenditure in foreign currency:**

Travelling Expenses-Rs. 66,80,917/- (Previous Year - Rs. 44,28,899/-)

Commission - Rs. 2,81,17,280/- (Previous Year – Rs. 1,50,32,147/-)

**III) Earning in Foreign Currency :**

FOB value of goods exported Rs. 62,087.56 lacs (Previous Year- Rs. 54,809.69 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	Value (Rs.)		Qty in MT	Value (Rs.)
<b>BUFFALO</b> (Previous Year)	0.000 (0.000)	71814.646 (72771.571)	5750749369 (5082969149)	71814.646 (72771.571)	0.000 (0.000)	0.00 (0.00)
<b>FRESH</b> (Previous Year)	0.000 (0.000)	5.700 (1249.910)	698219 (115861468)	5.700 (1249.910)	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	Value (Rs.)	Qty in MT	Value (Rs.)
<b>BUFFALO</b> (Previous Year)	4847.230 (6803.245)	54929.627 (47683.816)	54856.222 (49639.831)	6294934024 (5556867846)	4920.635 (4847.230)	554358739 (583703437)
<b>FRESH</b> (Previous Year)	0.000 (0.000)	3.800 (843.675)	3.800 (843.675)	893760 (189995626)	0.000 (0.000)	0.00 (0.00)

**16. Amounts due to small scale industrial undertakings / suppliers under the MSME Act, 2006 :**

The company has initiated the process and has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act could not be furnished.

**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  
(FRN - 014454N)

**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 : 13.08.2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED  
MARCH 31, 2010**

[Amount Rs. In lacs]

PARTICULARS	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit after Taxation as per Profit & Loss Account	931.27	557.98
<b>ADJUSTMENTS FOR</b>		
Depreciation	666.13	645.25
Adjustment in Depreciation for Fixed Assets sale	(45.35)	(54.11)
Fringe Benefit Tax	—	(21.20)
Deferred Tax (Income)/Expense	—	—
F.I.'s Restructuring Account written back	(456.53)	(439.79)
Income Tax / Wealth Tax	(190.70)	(70.62)
Interest Paid	1530.01	1954.71
Operating Profit Before Working Capital Changes	<u>2434.83</u>	<u>2572.22</u>
<b>ADJUSTMENTS FOR</b>		
Sundry Debtors	939.81	(2,259.13)
Inventory	12.54	(588.33)
Trade Receivable	(1325.81)	(1144.66)
Trade Payable	(1042.49)	4278.44
<b>NET CASH FROM OPERATING ACTIVITIES.....A</b>	<u>1018.88</u>	<u>2858.54</u>
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(308.03)	(440.24)
Proceeds from Sale of Fixed Assets	92.66	131.83
Capital work in progress	(190.08)	(55.02)
<b>NET CASH USED IN INVESTING ACTIVITIES.....B</b>	<u>(405.45)</u>	<u>(363.43)</u>
<b>C) CASH FLOW FROM FINANCE ACTIVITIES</b>		
Proceeds from issue of Share Capital	—	—
Secured Loan	(1119.04)	(828.79)
Unsecured Loan	—	—
Proceeds from Borrowings	1598.93	1209.28
Interest paid	(1530.01)	(1954.71)
<b>NET CASH USED IN FINANCE ACTIVITIES.....C</b>	<u>(1050.12)</u>	<u>(1574.22)</u>
<b>CASH FLOW DURING THE YEAR.....(A+B-C)</b>	<u>(436.69)</u>	<u>920.89</u>
Cash & Cash Equivalents (Opening Balance)	1929.37	889.07
Cash & Cash Equivalents (Closing Balance)	1492.68	1929.37

**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  
 (FRN - 014454N)

**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 : 13.08.2010

**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.)  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 per publication of "Indian Trade Classification" based 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  
(FRN - 014454N)**R.K. GOEL**  
Chief Executive Officer  
& Company Secretary**MOHD. ALI SHAUKAT**  
Dy. General Manager  
(Finance & Accounts)**(VIPIN AGGARWAL)**  
Partner  
Membership No. 16544PLACE : NEW DELHI  
DATE : 13.08.2010

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

We have examined the attached consolidated Balance Sheet as at 31<sup>st</sup> March 2010 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, 2010.

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

We did not audit the financial statements of its subsidiary, whose financial statements reflect total assets of Rs. 233.31 crores as at March 31, 2010 and total revenues of Rs. 690.81 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, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the reports of the other auditors.

Consolidated financial statements have been prepared by the company in accordance with

the requirements of Accounting Standard (AS-21), issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the Hind Agro Industries Ltd. included in the consolidated financial statements.

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

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

**Subject to the above,**

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

- a) In so far it relates to consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
- 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  
(FRN - 01411N)**

**(ATULAGGARWAL)**

PLACE : NEW DELHI  
DATE : 14.08.2010

**Partner**  
M.No-99374

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>AS AT 31.03.2010 (Rs.)</b>	<b>AS AT 31.03.2009 (Rs.)</b>
<b>I SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	89591200	89591200
b) Reserves & Surplus	2	935210958	794418511
c) Minority interest	3	237332931	361408757
		<u>1262135089</u>	<u>1245418468</u>
<b>2. Loan Funds</b>			
a) Secured Loans	4	1846340252	1974732036
b) Unsecured Loan		0	0
		<u>3108475341</u>	<u>3220150504</u>
<b>3. Deferred Tax Liability</b>		<b>58606109</b>	<b>62939548</b>
<b>TOTAL</b>		<b><u>3167081450</u></b>	<b><u>3283090052</u></b>
<b>II APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	5	2024808489	1971396699
b) Less: Depreciation		914712399	827573545
c) Net Block		1110096090	1143823154
d) Capital Work-in-Progress		58995752	70289575
		<u>1169091842</u>	<u>1214112729</u>
<b>2. Goodwill on Consolidation</b>	<b>5a</b>	<b>11330000</b>	<b>—</b>
<b>3. Current Assets, Loans &amp; Advances</b>	<b>6</b>	<b>2732282888</b>	<b>2954793022</b>
Less: Current Liabilities & Provisions	7	817465965	979712719
<b>Net Current Assets</b>		<b>1914816924</b>	<b>1975080303</b>
<b>Deferred Tax Assets</b>		<b>71842683</b>	<b>93897020</b>
<b>TOTAL</b>		<b><u>3167081449</u></b>	<b><u>3283090052</u></b>
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  
(FRN - 01411N)

**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. 99374

PLACE : NEW DELHI  
DATE : 14.08.2010



**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDED MARCH 31, 2010**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>Year ended 31.03.2010 (Rs.)</b>	<b>Year ended 31.03.2009 (Rs.)</b>
<b>INCOME</b>			
Sales	8	8085790463	7507803516
Other Income	9	76059731	69989080
Increase/(Decrease) in Stocks	10	38823923	103042184
		<u>8200674117</u>	<u>7680834780</u>
<b>EXPENDITURE</b>			
Materials Consumed & Manufacturing Expenses	11	7097291224	6712581660
Employees Remuneration & Benefits	12	55560822	45471335
Administrative & Other Expenses	13	86089013	78607667
Marketing Expenses	14	537868237	398492572
Financial Expenses	15	212623722	268155487
Depreciation	5	93090928	91131137
		<u>8082523946</u>	<u>7594439858</u>
<b>PROFIT /(-) LOSS BEFORE TAX</b>		<b>118150171</b>	<b>86394922</b>
Prior Period Income		0	0
Prior Period Expenses		269038	157339
<b>Less: Current Taxes</b>			
i) Income Tax for Current Year		29889339	16686102
ii) Income Tax for Earlier Years		-6624236	665670
iii) Provision for Wealth Tax		97721	56163
iv) Wealth tax for Earlier Years		0	0
v) Fringe Benefit Tax		0	2634411
vi) Deferred Taxes Income/Expenses		17720898	100904211
<b>PROFIT /(-) LOSS AFTER TAX</b>		<b>76797411</b>	<b>167099448</b>
i) Proposed Dividend		4318120	4318120
ii) Tax on Proposed Dividend		733865	733865
		<u>71745426</u>	<u>162047463</u>
Add: Surplus brought from previous year		601490154	439442691
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>673235580</b>	<b>601490154</b>
Surplus/(Deficit) Carried to Balance Sheet		<u>673235580</u>	<u>601490154</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 )

**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  
(FRN - 01411N)

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

PLACE : NEW DELHI  
DATE : 14.08.2010

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010**

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<b>SCHEDULE '1'-SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
16000000 (Previous year 16000000) Equity Shares of Rs. 10/- each	<u>16000000</u>	<u>16000000</u>
<b>Issued, Subscribed &amp; Paid up:</b>		
8636240 ( Previous year-8636240) Equity Shares of Rs. 10/- each fully paid up	<b>86362400</b>	86362400
<b>Out of above:</b>		
i) 990 (Previous Year 990 )Equity Shares are allotted as fully paid pursuant to a contract without payment being 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 Reserves.		
<b>Add: Share Forfeited</b> 1286820 Shares(Previous Year 1286820) on which Rs.3228800/-Paid up	<b>3228800</b>	3228800
<b>TOTAL</b>	<u><u>89591200</u></u>	<u><u>89591200</u></u>
<b>SCHEDULE '2'-RESERVES AND SURPLUS</b>		
<b>1. REVALUATION RESERVES</b>		
Balance as per last Balance Sheet	<b>1613153</b>	1641959
Less: Amortisation of land	<b>(28806)</b>	(28806)
	<u>1584347</u>	<u>1613153</u>
<b>2. SECURITIES PREMIUM ACCOUNT</b>	<b>74272496</b>	74272496
<b>3. CAPITAL RESERVE</b>	<b>3228800</b>	3228800
<b>4. GENERAL RESERVES</b>		
Balance as per last Balance Sheet	<b>432222031</b>	421853497
<b>5. PROFIT &amp; LOSS ACCOUNT</b>		
Amount of Subsidiary Profit & Loss Account	<b>552492716</b>	500490089
Less : Minority interest	<b>148332231</b>	217408057
	<u>404160485</u>	<u>283082032</u>
Profit & (Loss) Account	<b>19742799</b>	10368533
	<u>423903284</u>	<u>293450565</u>
<b>TOTAL</b>	<u><u>935210958</u></u>	<u><u>794418511</u></u>
<b>SCHEDULE '3'- MINORITY INTEREST</b>		
Share in the Capital of subsidiary company	<b>89000700</b>	144000700
Share in Reserve & Surplus of subsidiary Company	<b>148332231</b>	217408057
<b>TOTAL</b>	<u><u>237332931</u></u>	<u><u>361408757</u></u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010**

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<b>SCHEDULE '4'-SECURED LOANS</b>		
<b>Term Loans From Financial Institutions *</b>	<b>131070745</b>	<b>288030745</b>
(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, consumabale 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 thereon.		
<b>Liability Under IFCI Restructuring account</b>	<b>49198221</b>	<b>93661465</b>
<b>Liability Under IDBI Restructuring account</b>	<b>7254990</b>	<b>21206898</b>
(The negotiated settlement have been made by the FI's, the classification and quantification resettled amount into NCD and Term Loan is yet to be informed by FI's. However as far as securities against the above amounts are concerned they will continue to remain the same as mentioned above).		
<b>Bank of India Corporate Loan</b>	<b>163184452</b>	<b>159908556</b>
(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.)		
<b>Working Capital Loans from Banks</b>	<b>1476438629</b>	<b>1380030744</b>
Secured by Stock, Book Debts, FDRs, Personal Guarantee of the Promoter Directors and second charge on the entire fixed assets (present & future) of the company.		
<b>DEFERRED PAYMENT CREDIT</b>	<b>19193215</b>	<b>31893628</b>
Secured by Hypothication of Vehicles		
<b>TOTAL</b>	<b><u>1846340252</u></b>	<b><u>1974732037</u></b>

*\*Notes:*

Term Loan and interest accrued & due thereon 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, 2010**
**SCHEDULE '5' - FIXED ASSETS**
**(Amt. in Rs.)**

Particulars	GROSS BLOCK					DEPRECIATION			NET BLOCK		
	As At 01.04.2009	Addition During The Year	Sales During The Year	Adjust- Ments	Total As At 31.03.2010	Up To 31.3.2009	For The Year	Adjust- Ments	Up To 31.3.2010	As At 31.03.2010	As At 31.03.2009
LEASEHOLD LAND	3105460	—	—	—	3105460	786716	41406	—	828122	2277338	2318744
FREEHOLD LAND	23393455	—	—	—	23393455	—	—	—	—	23393455	23393455
FACTORY BUILDING	273623918	—	—	—	273623918	94644729	9139039	—	103783768	169840150	178979189
PLANT & MACHINERY	1560547151	49326760	0	5000000	1604873911	680355895	74526249	-712500	754169644	850704267	880191256
VEHICLES	42311167	6666998	4229819	—	44748346	17096835	4060335	-2867923	18289247	26459099	25214332
TRUCKS	13882524	1324995	2432434	—	12775085	6552122	1392353	-2400459	5544016	7231069	7330402
FURNITURE & FIXTURES	31436465	4023710	—	—	35460175	16670952	2048924	—	18719876	16740299	14765513
COMPUTERS	11313399	2050810	—	—	13364209	7103762	1330064	—	8433826	4930383	4209637
OFFICE EQUIPMENTS	11765165	1680770	—	—	13445935	4344541	581364	—	4925905	8520030	7420624
ELECTRICAL EQUIPMENTS	17995	—	—	—	17995	17995	—	—	17995	—	—
<b>TOTAL</b>	<b>1971396699</b>	<b>65074043</b>	<b>6662253</b>	<b>5000000</b>	<b>2024808489</b>	<b>827573547</b>	<b>93119734</b>	<b>-5980882</b>	<b>914712399</b>	<b>1110096090</b>	<b>1143823152</b>
<b>PREVIOUS YEAR</b>	1943871062	45542623	18016986	0	1971396699	745294314	91159943	-8880712	827573546	1143823153	1198576748

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 &amp; Loss Account.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010**

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<b>SCHEDULE '5a' - COST OF CONTROL</b>		
Book Value of investments in subsidiary company	253830000	187500000
Less: Cost of shares held in subsidiary company	242500000	187500000
<b>Goodwill on Consolidation</b>	<u>11330000</u>	<u>—</u>
<b>SCHEDULE '6'-CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. CURRENT ASSETS</b>		
<b>1. INVENTORIES</b>		
(As valued, taken & certified by the Management)		
Finished goods	873845239	835021317
Packing Materials & Others	35854754	19815310
	<u>909699993</u>	<u>854836627</u>
<b>2. SUNDRY DEBTORS</b>		
(Unsecured Considered Good)		
Over Six Months - Considered Good	23287428	30722102
Over Six Months - Considered Doubtful	4000000	4000000
Others	907623335	1020470787
	<u>934910763</u>	<u>1055192889</u>
Less: Provision For Doubtful Debts	4000000	4000000
	<u>930910763</u>	<u>1051192889</u>
<b>3. CASH &amp; BANK BALANCES</b>		
Cash in hand	4031916	921636
Cheques/DD on hand	8118037	11941237
Balance with the Banks	157699914	197286969
	<u>169849867</u>	<u>210149842</u>
<b>Total (A)</b>	<u>2010460623</u>	<u>2116179358</u>
<b>B. LOANS AND ADVANCES (UNSECURED- CONSIDERED GOOD)</b>		
Advances recoverable in cash or in kind or for value to be received.	715879347	831595049
Advance Tax (A.Y. 2006-2007)	0	500000
Advance Tax (A.Y. 2010-2011)	300000	0
Tax Deducted at Soruce	5642918	6518615
<b>Total (B)</b>	<u>721822265</u>	<u>838613664</u>
<b>Total (A+B)</b>	<u>2732282888</u>	<u>2954793022</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010**

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<b>SCHEDULE '7' CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	456108164	298769255
Other Liabilities	290991302	620555429
Interest accrued but not due	204099	1788751
	<u>747303565</u>	<u>921113435</u>
<b>PROVISIONS</b>		
Provision for Staff- Welfare Schemes	36596459	33008384
Provision for Income Tax / Wealth Tax	33565941	25590900
<b>TOTAL</b>	<u>817465965</u>	<u>979712719</u>
<b>SCHEDULE '8'-SALES</b>		
Export Sales	7614350978	6874618637
Sales of Waste & By product	471439485	633184879
<b>TOTAL</b>	<u>8085790463</u>	<u>7507803516</u>
<b>SCHEDULE '9' OTHER INCOME</b>		
IFCI Liability Written back	44463244	44463244
IDBI Liability Written back	13951908	12277678
Interest on FDR/Margin Money	10541757	9056802
Provision for Insurance Claim-Frozen	4674649	0
Profit on Sale of Licence	2247982	0
Profit on Sale of Fixed Assets	140717	0
Miscellaneous Income	39474	4191356
<b>TOTAL</b>	<u>76059731</u>	<u>69989080</u>
<b>SCHEDULE '10' INCREASE / (DECREASE) IN STOCK</b>		
Closing Stock of Finished Goods	873845239	835021317
Less: Opening Stock of Finished Goods	835021316	731979133
<b>TOTAL</b>	<u>38823923</u>	<u>103042184</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010**

PARTICULARS	For the Year Ended March 31, 2010 (Rs.)	For the Year Ended March 31, 2009 (Rs.)
<b>SCHEDULE '11' MANUFACTURING EXPENSES :</b>		
Raw Material Consumed	6610632127	6218388978
Consumable Stores	31069296	26985601
Packing Material Consumed	120506083	113794390
Power & Fuel	232829322	254705467
<i>Repairs &amp; Maintenance:</i>		
Plant & Machinery	33255083	33415936
Building	2688522	2799107
Others	650358	354491
Wages	40843634	37128861
Worker's Welfare Expenses	4105607	3488747
Insurance (Plant)	1022468	1481342
Vehicle running & Maint.	4413787	5070848
Freight Inward	2050111	1980420
Research & Development Expenses	1740851	1879595
Security Charges (factory)	3056229	2791044
Horticulture Expenses	629266	786381
Others	7798480	7530452
<b>TOTAL</b>	<b>7097291224</b>	<b>6712581660</b>
<b>SCHEDULE '12' -PAYMENTS TO &amp; PROVISION FOR EMPLOYEES</b>		
Salaries , Wages and Other Benefits	51811300	41919409
Contribution to Provident Fund & Other Funds	3749522	3551926
<b>TOTAL</b>	<b>55560822</b>	<b>45471335</b>
<b>SCHEDULE '13' ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	27219033	21087185
Vehicle Running & Maintenance	5210286	5180428
Travelling & Conveyance	17000303	10047659
Electricity & Water Charges	1777393	693346
Repair & Maintenance - Office	5447701	6462706
Rates, Taxes & Subscription	5492861	3478458
Security Service Charges	640227	541841
Printing & Stationery	4167490	3690783
Audit Fee	1235360	1294070
Certification Charges	150448	145300
Legal & Professional Expenses	5921599	6313589
Loss on Sale of Fixed Assets	549588	5487498
Insurance	4499227	5590766
Telephone & Postage Expenses	4438894	4678268
Misc. Expences	2338603	3915770
<b>TOTAL</b>	<b>86089013</b>	<b>78607667</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010**

<b>PARTICULARS</b>	<b>For the Year Ended March 31, 2010 (Rs.)</b>	<b>For the Year Ended March 31, 2009 (Rs.)</b>
<b>SCHEDULE '14'- SELLING, DISTRIBUTION &amp; OTHER EXPENSES</b>		
Freight & Forwarding Expenses	<b>489300462</b>	365070220
Business Promotion Expenses	<b>18946995</b>	17503120
Sales Commission	<b>29620780</b>	15919232
	<b><u>537868237</u></b>	<u>398492572</u>
<b>SCHEDULE '15'- FINANCIAL EXPENSES</b>		
Interest on Term Loans, Working Capital loans & NCD.	<b>43083929</b>	35750377
Bank Interest and Charges	<b>169539793</b>	232405110
	<b><u>212623722</u></b>	<u>268155487</u>



**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010.****SCHEDULE – 16****A. SIGNIFICANT ACCOUNTING POLICIES****A.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements have been prepared under the Historical Cost convention, in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions 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 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 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.

The duty credit scrip benefit under Duty Entitlement Pass Book on Post Export (DEPB-Post Export), 2009 has been reduced from raw material 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 BORROWING COST**

Financial income and borrowing costs include interest income on bank deposit and interest expense on loans.

Interest income is accrued evenly over the period of the corresponding instrument.

Borrowing costs are recognized in the period to which they relate, regardless of how the fund have been utilized, except where it relates to the financing of construction or development of the assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalized up to the date when the asset is ready for intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowing outstanding during the period to the average amount of accumulated expenditure incurred for the assets during the period.

#### **A.8 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.9 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.10 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 is accounted for in accordance with the provisions of the Income Tax Act, 1961.

**A.11 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.12 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 73.15% 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 Subsidiary Company has taken loan from IDBI (SASF) and IFICI 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. 456.54 lacs have been Written Back as the liability which is no longer payable.
- B.4** In Holding Company, Mr. Sirajuddin Qureshi & Mrs. Kiran Qureshi, Directors of the Company, have given personal guarantees to Industrial Finance Corporation of India Limited for Rs. 414.30 lacs and also the loan of Rs. 1631.84 lacs from Bank of India is secured by Personal Guarantees 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** Balances under sundry creditors, sundry debtors, Loan and advances are subject to confirmation, 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 has started commercial Production. Accordingly,

amount spent on the Capital Work In Progress have been capitalized under respective assets heads.

**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** Fire broke-out at Sahibabad Plant of the Company and some finished goods were destroyed. As per the report of the Surveyor, the company has lodged a claim of Rs. 44 lacs with the insurance company. The effect of the same has been taken in the Profit and Loss Account, which is pending for final settlement. The difference, if any, will be accounted for as and when received.

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

(Rs. In lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
a) Deferred Tax Assets on account of timing difference :		
i) Provision for Doubtful Debts	32.63	32.63
ii) Provision for Gratuity & Bonus	55.47	48.77
iii) Provision for Leave Encashment	6.15	4.97
iv) Carry forward losses	0.00	0.00
<b>Total</b>	<u>94.25</u>	<u>86.37</u>
b) Deferred Tax Liability on account of timing difference :		
i) Depreciation on fixed assets	680.31	715.77
<b>Total</b>	<u>680.31</u>	<u>715.77</u>
<b>Net Deferred Tax Liability (b-a)</b>	<b>586.06</b>	<b>629.40</b>

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

(Rs. In Lacs)

Particulars	Year Ended 31 <sup>st</sup> March, 2010
<b>a) Deferred Tax Assets on account of timing differences:</b>	
(i) Provision for Gratuity & Bonus	50.57
(ii) Provision for Leave Encashment	10.63
(iii) Carry Forward Losses	496.31
(iv) Depreciation on Fixed Assets	160.91
<b>Total</b>	<u>718.43</u>
<b>b) Deferred Tax Liability on account of timing differences:</b>	
(i) Depreciation on fixed assets	00.00
<b>Total</b>	<u>00.00</u>
Net Deferred Tax Asset (a-b)	718.43
LESS : Deferred Tax Asset as on 31-03-2009	938.97
<b>Net Deferred Tax Liability as on 31-03-2010</b>	<u><b>220.54</b></u>

**C.3 RELATED PARTY DISCLOSURES**

SR. NO.	NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP	NATURE OF TRANSACTION	DEBIT Rs. in Lac	CREDIT Rs. in Lac	BALANCE AMOUNT AS ON 31.03.2010 (Rs. In Lacs)
1.	Al-Mashriq Exports Pvt. Ltd.	i) Company in which KMP* are interested. ii) Company in which Directors are interested.	i) Business Transactions ii) Business Transactions	NIL 179.98	NIL 179.97	NIL Dr. 0.01
2.	Eatcco Foods Pvt. Ltd.	i) Company in which KMP* are interested. ii) Company in which Directors are interested.	i) Business Transactions ii) Business Transactions	NIL NIL	NIL NIL	NIL NIL
3.	Islamuddin & Company	i) Firm in which KMP* are interested. ii) Firm in which MD is Partner.	i) Rent ii) Rent	25.42 48.00	25.42 48.00	NIL NIL
4.	Hind Air Link Pvt Ltd	i) Company in which KMP* are interested. ii) Company in which Directors are interested.	Business Transactions Business Transactions	NIL 198.67	NIL 181.42	NIL Dr. 17.25
5.	Hind Air Services Pvt Ltd	i) Company in which KMP* are interested. ii) Company in which Directors are interested.	Business Transactions	NIL 16.35	NIL 3.05	NIL Dr. 13.30
6.	Fast Trax Food Pvt Ltd	i) Company in which KMP* are interested. ii) Company in which Directors are interested.	i) Business Transactions ii) Business Transactions	118.41 2713.59	0.12 2737.77	Dr. 118.29 Cr. 24.18
7.	Prime Packaging	Firm in which Directors are interested.	Supply of Packing Material.	196.27	211.25	Cr. 14.98
8.	Samar Travels & Cargo Pvt Ltd	i) Company in which KMP* are interested. ii) Company in which Directors are interested.	i) Business Transactions ii) Business Transactions	NIL 207.08	NIL 72.99	NIL Dr. 134.09
9.	Hind Biopharmaceuticals Ltd.	Company in which Directors are interested	Business Transactions	70.00	NIL	Dr. 70.00
10.	Integrated Livestock Village Farm Pvt. Ltd.	Company in which Directors are interested	Business Transactions	57.84	NIL	Dr. 57.84
11.	Aliffa Agro (India) Pvt. Ltd.	Company in which KMP* are interested.	Business Transactions	75.00	75.00	NIL
12.	Hind Infra Engineers Ltd.	Company in which Directors are interested	Business Transactions	180.91	51.12	Dr. 129.79
13.	Shri Sirajuddin Qureshi	i) KMP* ii) KMP*	i) Remuneration ii) Rent	33.86 21.60	33.86 21.60	NIL NIL
14.	Mrs. Kiran Qureshi	i) Relative of KMP* ii) Relative of KMP*	i) Rent ii) Rent	12.00 32.40	12.00 32.40	NIL NIL
15.	Dr. S.K. Ranjhan	Director	Consultancy	3.52	3.52	NIL
16.	Dr. Naseem Qureshi	KMP*	Remuneration	8.10	8.10	NIL
17.	Mr. Samar Qureshi	KMP*	Remuneration	26.64	26.64	NIL
18.	Mr. Anil Vanjani	KMP*	Remuneration	36.58	36.58	NIL

\*KMP = Key Management Personnel.

**C.4 EARNING PER SHARE**

Particulars	2009-2010	2008-2009
Consolidated Profit after Tax	<b>767.97 lacs</b>	1670.99 lacs
Less : Minority Interest	<b>139.62 lacs</b>	658.88 lacs
Balance Profit	<b>628.35 lacs</b>	1012.12 lacs
Weighted No. of Shares	<b>8636240</b>	8636240
Consolidated Basic and Diluted Earning per share	<b>7.28</b>	11.72

**C.5 CONTINGENT LIABILITIES**
**1. Claims against the Company not acknowledged as Debt :**

Rs.Nil. (Previous Year : NIL)

**2. Guarantees and other contingencies**

Particulars	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
a) Given to others	<b>98.18</b>	Rs. 43.18
b) Counter Guarantees executed by Bank	<b>328.06</b>	Rs. 206.40

**C.6 CONSOLIDATED SEGMENT REPORTING**

As the company's business activity falls within a significant 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 \***

PARTICULARS	ITEMS	QUANTITY (MT) AS AT 31-03-2010	QUANTITY (MT) AS AT 31-03-2009
Licensed Capacity	Fresh & Frozen Meat	<b>145000.00</b>	145000.00
Installed Capacity	Fresh & Frozen Meat	<b>145000.00</b>	145000.00
Actual Production	Fresh	<b>2926.075</b>	3797.360
	Frozen	<b>59298.503</b>	52406.532

\* 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 31<sup>ST</sup> MARCH, 2010**

Particulars	Opening Stock (MT)	Production (MT)	Sales (MT)	Value (Rs)	Closing Stock (MT)	Value (Rs)
Fresh	Nil	2926.075	2926.075	687203653	Nil	Nil
	(Nil)	(3797.360)	(3797.360)	(766226567)	(Nil)	(Nil)
Frozen	7304.807	59350.576	59225.098	6810616027	*7380.485	844375091
	(9332.194)	(52406.532)	(54433.919)	(6108392070)	(7304.807)	(824489659)

\*49.800 MT Quantity Damaged due to Fire (Refer Note No. B-12)

(Previous year figures are shown in brackets)

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

PARTICULARS	2009-2010		2008-2009	
	Qty. ( M.T.)	Value (Rs.)	Qty. (MT)	Value (Rs.)
Fresh	2968.071	470993951	4213.221	547159289
Frozen	76259.293	6167107659	77522.136	5474654493

**D.4 EXPENDITURE IN FOREIGN CURRENCY**

PARTICULARS	2009-2010 (Rs. In Lacs)	2008-2009 (Rs. In Lacs)
Travelling	66.82	44.29
Commission	281.17	150.32

**D.5 VALUE OF IMPORTS**

PARTICULARS	For the Year Ended 31.03.2010 (Rs in lacs)	For the Year Ended 31.03.2009 (Rs in lacs)
Value of Imports (CIF Value)	42.43	61.23

**D.6 EARNINGS IN FOREIGN CURRENCY**

PARTICULARS	For the Year Ended 31.03.2010 (Rs in lacs)	For the Year Ended 31.03.2009 (Rs in lacs)
FOB Value of Export Goods	72514.31	64578.73

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**  
Chairman & Managing Director

**Dr. NASEEM QURESHI**  
Director

*For and on behalf of*  
**M. K. AGGARWAL & CO.**  
Chartered Accountants  
(FRN - 01411N)

**ANIL VANJANI**  
Chief Executive Officer

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

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

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

**SAMAR BHATIA**  
Company Secretary

PLACE : NEW DELHI  
DATE : 14.08.2010

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR  
ENDED MARCH 31, 2010***(Rs. in Lakhs)*

Particulars	For the Year ended March 31, 2010	For the Year ended March 31, 2009
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation as per Profit & Loss Account	1178.81	862.37
ADJUSTMENTS FOR		
Depreciation	930.91	911.31
Adjustment in Depreciation for Sale of Fixed Assets	(39.85)	(50.87)
Tax for the Year	(299.87)	(174.08)
Fringe Benefit Tax	—	(26.35)
F.I.'s Restructuring Account Written Back	(584.15)	(567.41)
Tax for Earlier Year	66.24	—
Interest Paid	2126.23	2681.55
Operating Profit Before Working Capital Changes	3378.32	3636.52
ADJUSTMENTS FOR		
Sundry Debtors	1202.81	(2186.19)
Inventory	(548.63)	(1071.47)
Trade Receivable	1167.92	(2366.07)
Trade Payable	(1622.46)	5626.21
<b>NET CASH FROM OPERATING ACTIVITIES.....A</b>	<b>3577.96</b>	<b>3639.00</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(342.51)	(455.42)
Proceeds from Sale of Fixed Assets	96.66	142.23
Investment in Subsidiary	(663.30)	—
Capital work in progress	(195.30)	(61.52)
<b>NET CASH USED IN INVESTING ACTIVITIES.....B</b>	<b>(1104.45)</b>	<b>(374.71)</b>
<b>C) CASH FLOW FROM FINANCE ACTIVITIES</b>		
Secured Loan	(1663.84)	(1265.74)
Unsecured Loan	—	(104.45)
Proceeds from Borrowings	964.08	1658.79
Dividend Paid	(43.18)	(43.18)
Tax on Dividend	(7.34)	(7.34)
Interest paid	(2126.23)	(2681.55)
<b>NET CASH USED IN FINANCE ACTIVITIES.....C</b>	<b>(2876.51)</b>	<b>(2443.47)</b>
<b>CASH FLOW DURING THE YEAR.....(A+B-C)</b>	<b>(403.00)</b>	820.82
Cash & Cash Equivalents (Opening Balance)	2101.50	1280.68
Cash & Cash Equivalents (Closing Balance)	1698.50	2101.50

**For and on behalf of the Board****As per our report of even date attached  
for M.K. AGGARWAL & CO.**  
Chartered Accountants  
(FRN - 01411N)**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 : 14.08.2010  
PLACE : NEW DELHI





### Hind Industries Limited

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

### ATTENDANCE SLIP

L.F. No. \_\_\_\_\_ No. of Shares Held \_\_\_\_\_  
DP/CLIENT ID \_\_\_\_\_

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

I/We hereby record my presence at the 37<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Friday, 24<sup>th</sup> September, 2010 at 9.30 AM at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi-110 019

**SIGNATURE OF THE ATTENDING MEMBER/PROXY**

THIS ATTENDANCE SLIP, DULY FILLED IN, IS TO BE HANDED OVER AT THE REGISTRATION COUNTER.

..... TEAR – HERE ✂ .....



### Hind Industries Limited

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

### PROXY FORM

I/We, being a member/members of Hind Industries Limited hereby appoint.....or failing him/her.....of.....as my/our proxy to vote for me/us and my/our behalf at the 37<sup>th</sup> Annual General Meeting to be held on Friday the 24<sup>th</sup> day of September, 2010 at 9.30 A.M. at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi-110 019 and any adjournment thereof.

L.F. No. \_\_\_\_\_ No. of Shares Held \_\_\_\_\_  
DP/CLIENT ID \_\_\_\_\_

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

Signature of Shareholder (s)  
1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Signature of Proxy (s)  
1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

**NOTE:**

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

**Affix one  
Rupee  
Revenue  
Stamp.**

# BOOK - POST

*If undelivered, please return to :*



**HIND INDUSTRIES LIMITED**

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