



**HIND INDUSTRIES LTD.**

— 40th ANNUAL REPORT 2012-13 —



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

Mr. Sirajuddin Qureshi

**Directors**

Mrs. Kiran Qureshi  
Dr. Naseem Qureshi  
Mr. B. B. Gupta  
Mr. B. B. Huria  
Dr. S. K. Ranjhan

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

Mr. Mohd. Ali Shaukat

**COMPANY SECRETARY**

Mr. M. S. Malik

**BANKERS**

Indian Bank  
State Bank of Hyderabad  
J & K Bank Limited

**AUDITORS**

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

**REGISTERED OFFICE**

A-1, Phase-I,  
Okhla Industrial Area,  
New Delhi - 110 020  
Phone: 011-26372786-92 (7 Lines)  
Fax: 011-26817941-42 (2 Lines)  
Email: info@hind.in

**WORKS**

B-42, Site IV, Industrial Area, Sahibabad,  
Distt. Ghaziabad (U.P)  
Phone: 0120-2895342

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## Notice

**NOTICE IS HEREBY GIVEN THAT THE 40TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON THURSDAY, THE 26TH DAY OF SEPTEMBER, 2013, AT 9.30 A.M. AT A-81, BIPIN CHANDRA PAL MEMORIAL BHAVAN, 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 2013 and the Profit & Loss Account of the Company for the year ended on that date together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. B. B. Huria, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare 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.

### **SPECIAL BUSINESS:**

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

**“Resolved that** in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange, where the shares of the Company are listed and subject to the approval of Govt. of India (G.O.I.), Financial Institutions/ Banks (FI's), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by any of them while

granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) and/or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to issue/offer equity shares, preference shares, convertible debentures (fully or partly), non-convertible debentures, all or any of the aforesaid with or without detachable or non-detachable warrants and/or warrants of any nature and/or secured premium notes, and/or floating rate notes/bond, and/or any other financial instrument(s), (hereinafter referred to as “securities”), as the Board in its sole discretion may at any time or times hereafter decide, which securities when issued or allotted, would ultimately result in an increase in the Subscribed/Paid up Share Capital of the Company by an amount not exceeding the Authorized Share Capital of the Company, to the Members, Employees, Companies, Financial Institutions, Mutual Funds, Banks, Non-resident Indians, Foreign Companies, Overseas Corporate Bodies (OCB's), Foreign Institutional Investors (FI's), International Investors, or other entities/ authorities and to such other persons through such issue which may be brought from time to time including public issue, right issue, private placement, placement on firm allotment basis, exchange of securities, conversion of loans or otherwise or for general corporate purposes including capital expenditure, working capital requirements, amalgamations, acquisitions, reconstructions, or any other re-organization, as the Board may deem fit, and/or by any one or more or a combination of the above modes/methods or otherwise and in one or more tranche(s), with or without voting rights, in general meetings/class meetings of the company as may be permitted under the then prevailing laws, at such price or prices in such manner as the Board may in its absolute discretion think fit, in consultation with the lead managers, underwriters, advisors and such other persons, and on such terms and conditions including the number of Securities to be issued, face value, rate of dividend, interest, redemption period, manner of redemption, amount of premium on redemption,

the number of preference shares/equity shares to be allotted on conversion/ redemption/extinguishment of debts, exercise of rights attached with warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure and related or incidental matters.

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

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

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

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

Sd/-

**M. S. MALIK**

Company Secretary

PLACE: NEW DELHI

DATE: 14.08.2013

**Registered Office:**

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

## **NOTES:**

- 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 THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS ATTACHED HERewith.**
- The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21st September, 2013 to Thursday, 26th September, 2013 (both days inclusive).
- 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. Members who have not yet got their shares de-materialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the de-materialization account.
- Members are requested to intimate to the Company/ Registrar changes, if any, in their registered addresses along with Pin Code Number.
- Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- 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.
- As per the green initiatives taken by the Ministry of Corporate Affairs it is imperative to protect the environment by conserving the natural resources hence members are advised to kindly provide their email addresses so that the Annual Report and other correspondence with them may be furnished in electronic form in future.
- 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.

9. Shareholders seeking any information with regard to accounts are requested to write to the company well in advance so as to reach the company atleast 7 days prior to the annual general meeting and to enable the management to keep information ready at the AGM.
10. Those Members who have not yet claimed their dividend for the financial years 2008-09, 2009-10, 2010-11 and 2011-12, 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 into the 'Investor 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**

Sd/-

PLACE: NEW DELHI  
DATE: 14.08.2013

**M. S. MALIK**  
Company Secretary

**Registered Office:**

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

**EXPLANATORY STATEMENT**

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

**ITEM NO. 5**

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

The Authorized Share Capital of the Company at present is Rs.16.00 Crores (Rupees Sixteen Crores only). Keeping

in view the proposed restructuring and re-alignment of the long term liabilities, the Company may issue/allot further shares, for which Board seeks the approval of the shareholders and hence the resolution.

Board recommends passing of the resolution as a Special Resolution.

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

**INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT.**

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

Name	Mr. B. B. Huria
Age	69 Years
Qualification	B.Sc., Delhi University, M.S. (Mechanical Engg.), Diploma in Russian – English Translation & Interpretation, Peoples' Friendship University, Moscow.
Expertise	Mr. B. B. Huria is an Ex. Chief General Manager of the IFCI Ltd., the premier Financial Institution of India. He has more than four decades of rich experience in various aspects of finance, banking, audit and administration. He has been to the Board of various companies as an expert on finance and Banking. He has a deep insight into the functioning of different industries.  He is an eminent member on the different committees of the Directors of the company.
Other Directorships	Hind Agro Industries Ltd.

## Directors' Report

### Dear Members,

Your Directors have pleasure in presenting the Fortieth 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, 2013.

### Financial Results:

The Financial Highlights of the Company for the financial year ended on 31st March, 2013 are as under:

	(Amount in Lac ₹)	
Particulars	2012-13	2011-12
Revenue from Operations	<b>15163.16</b>	14020.89
Other Income	<b>129.24</b>	119.90
Profit before Depreciation, Extra Ordinary Items and Taxes {PBDEIT}	<b>482.16</b>	675.82
Extra Ordinary Items Written Off	-	660.04
Profit/(Loss) before Depreciation and Taxes {PBDT}	<b>482.16</b>	15.77
Depreciation and Amortisation Expense	<b>286.72</b>	286.66
Profit/(Loss) before Tax	<b>195.45</b>	(270.89)
Less: Tax for current year	<b>91.55</b>	0.00
Add: Deferred tax Written Back	<b>52.11</b>	60.29
Profit/(Loss) after Taxes {PAT}	<b>156.01</b>	(210.60)
Surplus/(Loss) Carried to Balance Sheet	<b>4472.73</b>	4472.73

### Performance:

During the financial year 2012-13, your Company again achieved the highest ever turnover of ₹15163.16 Lacs as against ₹14020.89 Lacs in the previous year 2011-12, thereby showing an increase of 8.15%. The Profit before Depreciation, Extra Ordinary Items and Taxes (PBDEIT) of the Company during the financial year 2012-13 stood at ₹482.16 Lacs as against ₹675.82 Lacs in the previous financial year 2011-12, which is a decrease of 28.66%, mainly due to the increase in financial costs. The company earned a Net Profit after Tax of ₹156.01 Lacs during the financial year 2012-13 against the loss (NLAT) of ₹210.60 Lacs in the previous year.

### Profitability:

During the year under review the company has been able to post marginal profits of ₹156.01 Lacs despite the increase in financial costs by better control of the raw material, manufacturing, logistics, selling, distribution, administrative and other expenses.

### 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 ₹71914.32 Lacs and Profit before taxes (PBT) of ₹936.96 Lacs for the year ended 31st March, 2013, as compared to the Total Sales Turnover of ₹70351.29 Lacs and the Profit before taxes (PBT) of ₹943.23 Lacs in the previous year ended on 31st March, 2012.

Pursuant to the provisions under Section 212(8) of the Companies Act, 1956 read with the Notification No.51/12/2007-CL-III, the Central Government has granted general exemption for not attaching the annual accounts of Subsidiary Company, hence the Board of Directors of the company has by resolution given consent for not attaching the balance sheet of the subsidiary company.

The company undertakes that annual accounts of the subsidiary company and the related detailed information shall be made available to shareholders of the holding and subsidiary company seeking such information at any point of time. The annual accounts of the subsidiary company shall also be kept for inspection by any shareholders in the head office of the holding company and of the subsidiary company. The holding company shall furnish a hard copy of details of accounts of subsidiary company to any shareholder on demand.

### Dividend:

In view of the marginal profit earned by the Company the Board wishes to maintain the rate of dividend and keeping in view of the investor's interest and market sentiments, the Board of Directors recommended a dividend @3% (i.e. 30 paise per Equity Share) out of the Profits of the Company for the Financial Year ended on 31st March, 2013.

Further, the company has transferred the remaining amount of unclaimed and unpaid dividend for the financial year 1997-98 into the 'Investor Education and Protection Fund' on completion of a period of seven years from the date of transferring to the unpaid dividend account.

### Current year's outlook:

Your Company is expected to improve further and consolidate its operations in the ongoing financial year i.e.

2013-14, 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. 25th 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 issue of contempt notices to the transport secretaries of Delhi, Punjab and Uttar Pradesh by the Honble' Supreme Court for not implementing the HSRNP system, tenders have been floated by certain States. In view of this development the company is hopeful of getting the tenders from various State Governments where the company has submitted its bids.

The Company has diversified its activities into the power generation sector. The said project at Neemrana, in the State of Rajasthan is in initial stage and the company is applying for tenders. In view of the increasing demand of the power the company is hopeful of getting the tenders from State Government.

**Consolidated Financial Statements:**

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

**Deposits:**

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 BSE Ltd. (Bombay Stock Exchange), Mumbai. The Calcutta Stock Exchange Ltd. has finally conveyed its formal approval for the de-listing of the shares of the Company w.e.f. 18th February, 2013, 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 2013-14, to the BSE Ltd., Mumbai.

**Corporate Governance:**

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

**Insurance:**

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

**Directors:**

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

The Board recommends for the re-appointment of Mr. B.B. Huria.

**Auditors:**

The Statutory Auditors M/s M. K. Aggarwal & Co., Chartered Accountants, (FRN 01411N) 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 2012-13, are explained and clarified as under:

-Explanation to Point No.32 of the Notes forming part of the Financial Statements:

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

**Particulars of Employees:**

A statement showing the particulars of employees



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

Name of the Employee	Designation	Qualification	Age	Remuneration (Amt in Lacs ₹)	Experience	Date of employment	Previous employment
Mr. Sirajuddin Qureshi	Chairman & Managing Director	BA, LLB	65 years	57.60	36 years	06.08.1993	Not Applicable

**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, 2013, 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, 2013, 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**

NEW DELHI

14TH AUGUST, 2013

**SIRAJUDDIN QURESHI**

CHAIRMAN & MANAGING DIRECTOR

## Annexure to the Directors' Report

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

### A) CONSERVATION OF ENERGY:

Following activities were undertaken to save/conservate 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 (₹)	0	0
Average rate/unit (₹)	0	0
<b>b) Own generation through diesel generator set</b>		
Units of electricity	22,72,942	26,99,664
Total cost (₹ in Lacs)	328.29	325.55
Cost per unit of electricity (₹)	14.44	12.06
<b>c) Furnace Oil (Boiler)</b>		
Ltrs	0	0
Cost in (₹ in Lacs)	0	0
Rate/Litre (₹)	0	0
<b>d) High Speed Diesel Oil (Boiler)</b>		
Ltrs	1,88,673	3,66,953
Cost in (₹ in Lacs)	86.12	139.54
Rate/Litre (₹)	45.58	38.03

Consumption per unit of production:

Fresh & Frozen Meat:

Particulars	(Per K.G.)	
	Current Year	Previous Year
Energy (in Units)	0.969	0.449

#### Form "B" (See Rule 2)

### B) TECHNOLOGY ABSORPTION:

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:

#### Earnings and Outgo:

Earnings of foreign exchange of the company have been to the tune of ₹5,925.22 Lacs (FOB Value) during the financial year 2012-13 (Previous year ₹10,519.63 Lacs), by way of exports and the foreign exchange outgo during the same period was ₹19.41 Lacs (Previous Year ₹1.66 Lacs).

ON BEHALF OF THE BOARD  
FOR HIND INDUSTRIES LIMITED

NEW DELHI  
14TH AUGUST, 2013

SIRAJUDDIN QURESHI  
CHAIRMAN & MANAGING DIRECTOR

# Management Discussion and Analysis

## OVERVIEW

The Indian Economy grew at its slowest pace in a decade in 2012-13, posing another fresh challenge for the Government to revive growth and boost sentiment. Data released by the Central Statistical Organization (CSO) showed that the economy grew 5% in 2012-13, compared to 6.2% expansion in the previous year. It was in line with the advanced estimates released earlier. The overall economic scenario still remains challenging and the GDP data should come as a wake-up call for the government.

The finance ministry had said that growth would be closer to 5.5% and had exuded confidence that green shoots of recovery were visible in the economy.

## ECONOMY BOTTOMED OUT

Policymakers said evidence of a strong recovery was yet to emerge. "There is evidence the economy has bottomed out. But it still don't have evidence of a strong recovery. It is challenging to get to 6% (growth) where last year is 5%."

The Indian economy, Asia's third-largest, has slowed sharply from the scorching growth notched a few years ago due to a string of factors, including high inflation, high interest rates, slowing global economy, delay in implementation of projects, policy logjam, slowing industrial growth and declining business sentiments.

The high current account deficit, which widened to 6.7% in the December quarter, and stubborn inflation has acted as obstacles to easing monetary policy aggressively. While the Reserve Bank of India has cut interest rates it has cautioned about the persisting inflationary pressures and risks still facing the economy.

What has been most disappointing is that industrial output growth in 2012-13 has been a mere 1%, posing a threat to job creation and overall growth.

The government initiated some reform measures since September last year hoping to script a turnaround in the India growth story. But fresh corruption scandals and the continued parliamentary logjam have dashed hopes of any reform measures being pushed through. Business confidence has taken a knock and economists say that urgent steps are necessary to reverse the slowdown.

Published data showed the farm sector rose 1.9% in 2012-13 compared to 3.6% in the year-ago period while the crucial manufacturing sector grew 1% compared with 2.7% expansion in 2011-12. Economists said the data showed that weak spots still remained and returning to 6% growth in the current fiscal year would be a challenge.

Sluggish gains in agricultural and manufacturing output and soft utilities production were key restraining factors

alongside the 'squeeze' on government spending. In sequential terms, it is estimated that GDP growth was still below 5% on an annualized basis.

## CURRENT SCENARIO

With survey evidence souring in April, the near-universal expectation for an improvement to 6% growth in fiscal year 2014 is already looking stretched. The relatively sticky GDP deflator underlines that RBI's room for manoeuvre remains relatively cramped. India Inc said the economic situation was grim and stepped up demands for interest rate cuts and a fresh push to approve pending projects.

With no visible pick-up in any key levers of the economy, the situation remains grim. Demand in the system is weak with low levels of consumption, government expenditure and investments. While the fiscal deficit situation would not allow government expenditure to go up, every means needs to be explored for raising consumption and investment demand.

## CONDITION OF THE INDUSTRIAL SECTORS

All round high inflation in commodities and manufactured products led to significant increase in input costs across the sectors. In addition, crude prices moved up, which also had an impact on transportation costs and packaging costs. Overall, Financial Year 2012-13 was a very challenging year in terms of input cost inflation and managing material costs.

### 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 one of 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.2012-13), as compared to the previous year (i.e.2011-12), there has been 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 is 2346.011 M.T. as compared to 6069.670 M.T. during the previous year, which shows a decrease of 38.65% over the previous year. The capacity utilization as a percentage of installed capacity decreased from 24.28% to 9.38% over the same period.

## 2.2 SALES TURNOVER

The Company achieved highest ever turnover of ₹15153.16 Lacs during the year 2012-13, as compared to ₹14020.89 Lacs during the previous year 2011-12.

## 3. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### 3.1 RAW MATERIALS AND PACKING COST

The Raw Material Consumed to Sales is 23.34% during the year under review as compared to 55.91% in the previous year. The Consumption of Packing Material Cost to Sales decreased to 0.58% in the year 2012-13, from 0.72% in the year 2011-12.

### 3.2 INTEREST COST

The Financial Cost in the year 2012-13 was at ₹1358.83 Lacs as against ₹1016.61 Lacs in 2011-12.

## 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.

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

### 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.
- Political unrest in the importing countries.

## 5. HIGH SECURITY REGISTRATION PLATE PROJECT

The Commercial Production for the High Security Registration Plate was commenced from 25th 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. 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, 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 work at the site has been completed and the Commercial Production is expected to start in the year 2013-14.

## 7. OUTLOOK

India is one of the very few economies in the world which is growing at a commendable speed and promises a huge opportunity for exports. The economy is expected to grow by more than 6% in the fiscal

2013-14. With 56.60% of World's Buffalo population in India, Buffalo meat export has huge potential. Further, Government is taking measures to increase the export by planning to take steps in areas of increasing the supply of quality livestock through scientific rearing practices, improvement in disease status in respect of diseases like Foot and Mouth Disease (FMD) by creating disease free zones, better implementation of existing plan scheme for livestock health and disease control. With all these measures being taken up by the Government and end of Political unrest in Middle East, your company is hopeful that the Financial Year 2013-14 will be much better.

## **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.
- Depreciation in Indian Rupee as compared to USD is also an area of concern.

## **9. HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

Hind's people are the Company's most important asset and source of competitive advantage. All employees of Hind are considered leaders and encouraged to take responsibility to do their best that they can while meeting business needs. Our success depends entirely on the strength of our talent pool which we build by fostering an environment and continually investing in them to enable them to deliver superior performance. Our Human Resource strategy is aimed at talent acquisition, development, motivation and retention. The Company has been able to maintain an excellent industrial rapport with its employees with no 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. 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 infrastructural resources like electricity, fuel 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:**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. 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  
FOR HIND INDUSTRIES LIMITED**

NEW DELHI  
14TH AUGUST, 2013

**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 2012-13, as per the format prescribed by SEBI and incorporated in 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. 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**, 65 Years, Chairman and Managing Director of the company, done Bachelor of Arts in 1970 and LL.B in 1973 from the University of Delhi. He is an emerging and promising first generation entrepreneur with more than 30 years of vast experience in the field of Food Processing and Marketing. He focused the interests in export as early as in the year 1990, as a result of which, the 100% Export Oriented Meat Processing Plant of the Company was set up at Sahibabad in the State of Uttar Pradesh. He has also laid down the foundation of the Subsidiary Company, i.e. Hind Agro Industries Limited in the year 1994, having the modern State-of-the-art

abattoir-cum-meat processing Plant in Aligarh, Uttar Pradesh.

He is a coveted member of various prestigious Government and Non-Government Bodies of Commerce and Industry. He has been honored with several awards and recognitions from the Government of India for his contributions to the Export Industry. He is an Executive Director on the Board of the company with overall responsibility of the affairs of the company. He has highly contributed for the growth and development of the Hind Group to its present position as market leader in India in its field.

**Mrs. Kiran Qureshi**, 63 years, wife of Mr. Sirajuddin Qureshi, is having rich experience of more than two decades in the various areas of meat Industry. She has completed Bachelor of Arts and LL.B from the University of Delhi. She is a widely travelled person and has got wide exposure of the different aspects of the Export Business. She is the Promoter-Director of the Company and also of the Subsidiary Company i.e. Hind Agro Industries Ltd.

**Dr. Naseem Qureshi**, 49 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 eleven years.

**Mr. B. B. Gupta**, 66 years, Senior Advocate, is engaged in his practice of advocacy since 1973. He regularly appears before the High Court & District Court. He has more than three decades of rich experience in various aspects of legal matters. He has a deep insight into the functioning of different industries. He is an eminent member of the various Institutes/Bar Council, viz. Indian Law Institute, New Delhi, Institute of Constitutional & Parliamentary Studies, New Delhi, Supreme Court Bar Association, Delhi High Court Bar Association, International Jurists Organization etc. He is also the member on the different Committees of the Directors of the company.

**Mr. B. B. Huria**, 69 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.

**Dr. S. K. Ranjhan**, 78 years, M.V.Sc., MS (USA), PHD., D.Sc., Fellow-NAVS, is an Independent Director on the Board of the Company. He has more than 4 decades of rich experience in various areas of Livestock development and Meat Industry. He has been an ex-consultant of World Bank and is considered to be an authority on veterinary sciences and buffalo rearing. He has authored several books, journals and articles

on veterinary sciences. 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. 2012-13). The meetings were held on 12th May, 2012, 14th August, 2012, 14th November, 2012, 08th December, 2012 and 15th February 2013. 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 Directorships#
		Board Meeting	Annual General Meeting	Committee Member Ship	Chairmanship	
Mr. Sirajuddin Qureshi	Chairman & Managing Director	1	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	1
Mr. B. B. Gupta	Independent	5	Yes	2	2	Nil
Dr. S. K. Ranjhan	Independent	4	Yes	3	Nil	2

\*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 31.03.2013

S. No.	Name of the Director	No. of Equity Shares of ₹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	Dr. S. K. Ranjhan	Nil

#### Re-appointment of Director

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

#### Code of Conduct

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

**Certificate of Code of Conduct for the year 2012-13**

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

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

“I hereby certify that the company has obtained from all the Board Members and Senior Management personnel, the affirmation that they have complied with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2012-13.”

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

New Delhi  
May 18, 2013

**Sirajuddin Qureshi**  
Chairman and 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) Dr. S. K. Ranjhan

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 Dr. S. K. Ranjhan are the members of the Committee.

**Terms of Reference of the Audit Committee**

The terms of reference of Audit Committee are as per the 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 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 2012-13, the Committee met four times on 12th May, 2012, 14th August, 2012, 14th November, 2012 and 15th February, 2013. The attendance of the members of the Committee in the meetings is as under:

Name	No. of Meetings during the Year (2012-13)	
	Held	Attended
Mr. B. B. Gupta	4	4
Mr. B. B. Huria	4	4
Dr. S. K. Ranjhan	4	3

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 2012-13, have been accepted by the Board of Directors.

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

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

- 1) Mr. B. B. Gupta
- 2) Mr. B. B. Huria
- 3) Dr. S. K. Ranjhan

Mr. B. B. Gupta is the Chairman of the committee, Mr. B. B. Huria and Dr. S. K. Ranjhan 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 duplicates share certificates, etc.

**Meetings during the year**

During the year 2012-13, the committee met once on 14th August, 2012 and all the members attended the meeting. The Committee discussed the following complaints received during the period regarding Non Payment of Allotment Money, Non Receipt of Annual Report, Non Receipt of Dividend and Issue of Duplicate Share Certificate etc., which were attended to and redressed by the Company:

Nature of Complaints	No. of Complaints Received	No. of Complaints Redressed	No. of Pending Complaints
With regard to Non Payment of Allotment Money.	2	2	Nil
With regard to Non Receipt of Annual Report.	4	4	Nil
With regard to Non Receipt of Dividend.	1	1	Nil
With regard to procedure for issue of Duplicate Share Certificate.	1	1	Nil
<b>Total</b>	<b>8</b>	<b>8</b>	<b>Nil</b>

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

**(C) REMUNERATION COMMITTEE**
**Composition**

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

- 1) Mr. B. B. Gupta
- 2) Mr. B. B. Huria
- 3) Dr. S. K. Ranjhan

Mr. B. B. Gupta is the Chairman of the committee and Mr. B. B. Huria and Dr. S. K. Ranjhan 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 2012-13, the committee did not meet since there was no business of fixing the remuneration and appointment/reappointment of any Directors.

**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, 2013 of the Chairman and Managing Director of the Company is as under:

Name of the Director	Designation	Remuneration
Mr. Sirajuddin Qureshi	Chairman & Managing Director	₹57,60,000/-

**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. Two Independent Directors on the Board of Directors of the Company, namely Mr. B. B. Huria and Dr. S. K. Ranjhan are also Directors 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 CFO of the company 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. M. S. Malik, Company Secretary is designated as the Compliance Officer 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
37th AGM	24.09.2010	9.30 A.M.	Bipin Chandra Pal Memorial Bhavan,
38th AGM	26.09.2011	9.30 A.M.	A-81, Chittaranjan Park,
39th AGM	22.09.2012	9.30 A.M.	New Delhi-110019

All the special resolutions in the previous three Annual General Meetings have been passed by the company with requisite majority. One of the resolution placed in the last AGM (22nd September 2012) was required to be passed by way of postal ballot under Section 192A of the Companies Act, 1956 and the same was duly passed by complying with the prescribed procedure.

**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 (AS-18), is appearing in Note 29 A of the annual accounts of the Company for the year ended on 31st March, 2013.

**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 “Jan Satta” and the copies of the results are simultaneously supplied to the BSE Ltd.
- (b) The Company has not made any presentation to any Institutional Investor/Industry Analyst.
- (c) The financial results are also posted on the website of the company [www.hindindustries.net](http://www.hindindustries.net).
- (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 26th, 2013
DAY	Thursday
TIME	9.30 A.M.
VENUE	Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi-110019

**(b) FINANCIAL CALENDAR**

Financial reporting for the :

Quarter ending June 30, 2013	July-August, 2013
Quarter ending September 30, 2013	October-November, 2013
Quarter ending December 31, 2013	January-February, 2014
Quarter ending March 31, 2014	April-May, 2014

**(c) DATE OF BOOK CLOSURE**

Saturday, the 21st September, 2013 to Thursday, the 26th September, 2013 (both days inclusive).

**(d) LISTING ON STOCK EXCHANGES**

BSE Ltd., Mumbai,

**(e) STOCK CODE**

526307 (BSE)

**(f) DEMAT/REMAT ISIN NO. FOR EQUITY SHARES**

INE675B01019

**(g) MARKET PRICE DATA (FINANCIAL YEAR 2012-13)**

The monthly high/low prices and volume of shares of the company traded on BSE from April, 2012 to March, 2013 are given below:

MONTH & YEAR	OPEN ₹	HIGH ₹	LOW ₹	CLOSE ₹	NO. OF SHARES	NO. OF TRADES
April' 2012	32.75	35.50	29.00	30.05	27036	283
May' 2012	29.75	32.00	26.00	30.45	9514	137
June' 2012	29.00	32.00	27.70	29.95	16919	130
July' 2012	28.65	36.00	28.55	32.00	19749	187
August' 2012	31.50	34.50	28.25	28.30	37305	329
September' 2012	29.70	35.70	28.55	32.65	26823	266
October' 2012	31.10	34.00	29.50	29.70	13883	165
November' 2012	30.80	40.50	28.10	39.90	79739	338
December' 2012	41.85	58.65	41.85	54.45	121734	778
January' 2013	57.00	57.95	40.30	43.80	78939	450
February' 2013	45.95	46.15	39.70	42.85	31525	191
March' 2013	42.85	42.85	33.10	36.00	56873	184

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

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

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

**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**

(UNIT : HIND INDUSTRIES LTD.)  
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 thrice in a month 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 15 days of the receipt. In compliance with the Listing Agreement and SEBI Circular, at every three months the reconciliation of share capital 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 BSE Ltd. within stipulated time.

**(j) SHAREHOLDING PATTERN AND DISTRIBUTION OF SHARES AS ON 31ST MARCH, 2013**
**(A) SHAREHOLDING PATTERN**

Category	No. of Shares	% of Total
Promoters	3738100	43.28
Directors & Relatives	110750	1.28
Financial Institutions	248599	2.88
Nationalized Banks	200	0.00
Mutual Funds	10100	0.12
Bodies Corporate	816879	9.46
Indian Public	3609538	41.80
NRI's/OCB's	102074	1.18
<b>Total</b>	<b>8636240</b>	<b>100.00</b>

**(B) DISTRIBUTION OF SHAREHOLDING**

Slab	Shareholders		Shares Held	
	No.	Percentage	No.	Percentage
Upto 500	7483	94.08	905581	10.49
501-1000	231	2.90	182409	2.11
1001-2000	97	1.22	146431	1.70
2001-3000	26	0.33	66729	0.77
3001-4000	14	0.18	49597	0.57
4001-5000	21	0.26	98660	1.14
5001-10000	33	0.41	250145	2.90
10001 and above	49	0.62	6936688	80.32
<b>Total</b>	<b>7954</b>	<b>100.00</b>	<b>8636240</b>	<b>100.00</b>

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

The shares of the Company are compulsorily tradable in dematerialized form from January 2002, in rolling settlement segment of BSE Ltd., as per the Notification issued by the Securities and Exchange Board of India. The Company has dematerialized 51,83,739 nos. of equity shares as on 31st March, 2013 and 51,85,537 nos. of shares upto 31st July, 2013 in both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services of India Ltd. (CDSL).

**(l) OUTSTANDING GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity: N.A.****(m) PLANT LOCATION**

HIND INDUSTRIES LIMITED  
B-42, Site IV, Sahibabad Industrial Area,  
Distt. Ghaziabad, (U.P.) – 201010.  
Phone: 0120-2895342

**(n) ADDRESS FOR CORRESPONDENCE**

HIND INDUSTRIES LIMITED  
Registered Office: A-1, Phase-I, Okhla Industrial Area,  
New Delhi-110020.  
Phone: 011-26372786-92 (7 Lines).  
Fax: 011-26817941-42.  
E-mail: info@hind.in

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

**SIRAJUDDIN QURESHI  
CHAIRMAN & MANAGING DIRECTOR**

NEW DELHI  
14TH AUGUST, 2013

**Auditor's Certificate on Compliance with the conditions of Corporate Governance Under Clause 49 of the Listing Agreement****To the Members of Hind Industries Limited,**

We have examined the compliance of Corporate Governance by M/s Hind Industries Limited, for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us and

the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and Share Transfer Agent of the Company have maintained records to show Investors' Grievances against the Company and have certified that as on 31st March, 2013, 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.

Place : New Delhi  
Date : August 14, 2013

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

**C. A. (Atul Aggarwal)**  
Partner  
(M.No.99374)

# Independent Auditors' Report

To the Members of Hind Industries Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Hind Industries Limited ('the Company') which comprise the Balance Sheet as at 31 March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the *Annexure* a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
  - b. 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;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
  - e. On the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **M/s M. K. AGGARWAL & CO.**  
*Chartered Accountants*  
(FRN – 01411N)

**C. A. (M. K. AGGARWAL)**  
*Partner*  
(M. No. 014956)

Place: New Delhi  
Date: 30-05-2013

## Annexure To Auditor's Report

The Annexure referred to in our report to the members of Hind Industries Limited ('the Company') for the year ended 31 March, 2013. We report that:

- 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. No Fixed Assets has been disposed off during the year and therefore, our comments are not required.
- II) In respect of its inventories :
  - a. As explained to us, inventories have been physically verified by the management in accordance with perpetual inventory programme 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 per nature of its business. 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. The maximum amount outstanding during the year ₹ 2480.02 Lacs and the year end balances of such loan amount to ₹ 405.03 lacs from four parties, other than above, the company has not granted any loan, secured or unsecured to the party covered in the register maintained u/s 301 of the Act.
  - b. In our opinion the rate of interest and other term & condition on which the loan have been granted to the party listed in the register maintained u/s 301 of the Act are not prima-facie prejudicial to the interest of the company.
  - c. As informed, the company has taken loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, the maximum amount outstanding during the year was ₹ 36.64 lacs and the year end balance of such loan amounted to ₹ 12.94 lacs from two parties, other than above, the company has not taken any loan secured or unsecured from the party listed in the register maintain u/s 301 of the Act. However the terms & conditions as regard thereto are not prima-facie prejudicial to the interest of the company.
  - d. 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 system 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 and associate company 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/s M. K. AGGARWAL & CO.**  
*Chartered Accountants*  
(FRN – 01411N)

**C. A. (M. K. AGGARWAL)**  
*Partner*  
(M. No. 014956)

Place: New Delhi  
Date: 30-05-2013

**Balance Sheet as at 31st March, 2013**

Particulars	Notes	As at 31.03.2013 ₹	As at 31.03.2012 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	89,591,200	89,591,200
Reserves and Surplus	3	538,862,198	526,301,222
<b>Total</b>		<b>628,453,398</b>	<b>615,892,422</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	310,576,733	349,534,431
Other Long-Term Provisions	5	18,242,311	17,095,878
Deferred Tax Liabilities (Net)	6	41,872,491	47,083,671
<b>Total</b>		<b>370,691,535</b>	<b>413,713,980</b>
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	7	522,089,655	413,838,383
Trade Payables	8	48,914,636	34,967,503
Other Current Liabilities	9	36,512,531	70,280,193
Short-Term Provisions	10	12,165,962	3,011,177
<b>Total</b>		<b>619,682,784</b>	<b>522,097,256</b>
<b>Grand Total</b>		<b>1,618,827,717</b>	<b>1,551,703,658</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	242,420,836	269,286,306
Intangible Assets	11	3,892,141	4,378,659
		<b>246,312,977</b>	<b>273,664,965</b>
Non-Current Investments	12	354,829,200	294,330,000
Long-Term Loans and Advances	13	41,333,447	44,494,836
<b>Total</b>		<b>396,162,647</b>	<b>338,824,836</b>
<b>CURRENT ASSETS</b>			
Inventories	14	428,859,374	389,397,065
Trade Receivables	15	404,234,042	398,678,171
Cash and Cash Equivalents	16	27,967,511	33,094,287
Short-Term Loans and Advances	17	115,291,166	118,044,334
<b>Total</b>		<b>976,352,093</b>	<b>939,213,857</b>
<b>Grand Total</b>		<b>1,618,827,717</b>	<b>1,551,703,658</b>
SIGNIFICANT ACCOUNTING POLICIES :	1 - 44		
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.			

**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**M. K. AGGARWAL & CO.**  
Chartered Accountants  
FRN - 01411N**MOHD. ALI SHAUKAT**  
General Manager  
(Finance & Accounts)**M. S. MALIK**  
Company Secretary**C. A. (M. K. AGGARWAL)**  
Partner  
Membership No. 014956Place : New Delhi  
Date : 30.05.2013

**Statement of Profit and Loss for the year ended on 31st March, 2013**

Particulars	Notes	As at 31.03.2013 ₹	As at 31.03.2012 ₹
<b>INCOME</b>			
Revenue from Operations	18	1,516,316,220	1,402,088,994
Other Income	19	12,924,317	11,989,741
<b>Total Revenue</b>		<u>1,529,240,537</u>	<u>1,414,078,735</u>
<b>OPERATING EXPENDITURE</b>			
Cost of Material Consumed		366,827,830	777,003,269
Purchase of Stock in Trade		810,308,131	190,010,168
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade		(40,104,764)	(21,154,791)
Manufacturing Expenses	20	82,874,325	92,628,528
Personnel Expenditure	21	22,037,665	25,138,481
Financial Costs	22	135,883,475	101,661,478
Logistic and Other Selling & Distribution Expenses	23	84,099,270	160,634,249
Administrative & Other Expenses	24	19,098,188	20,575,828
<b>Total Expenditure</b>		<u>1,481,024,120</u>	<u>1,346,497,210</u>
<b>PROFIT BEFORE DEPRECIATION, EXTRAORDINARY ITEMS AND TAXES</b>		<u>48,216,417</u>	67,581,525
Extra Ordinary Items Written Off.	25	0	66,004,197
<b>PROFIT BEFORE DEPRECIATION AND TAXES</b>		<u>48,216,417</u>	1,577,328
Depreciation and Amortisation Expense	11	28,671,853	28,665,520
<b>PROFIT BEFORE TAX</b>		<u>19,544,564</u>	<u>(27,088,192)</u>
Tax Expense:			
Current Tax		9,154,785	0
Deferred Tax Written Back		(5,211,180)	(6,029,042)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<u>15,600,959</u>	<u>(21,059,150)</u>
<b>EARNINGS PER EQUITY SHARE</b>		1.81	(2.44)

SIGNIFICANT ACCOUNTING POLICIES :

1 - 44

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

**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

**M. K. AGGARWAL & CO.**  
Chartered Accountants  
FRN - 01411N

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

**M. S. MALIK**  
Company Secretary

**C. A. (M. K. AGGARWAL)**  
Partner  
Membership No. 014956

Place : New Delhi

Date : 30.05.2013

**Cash Flow Statement for the year ended on 31st March, 2013**

Amount in ₹ in lac except as otherwise stated

Particulars	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / ( Loss ) before Taxation as per Profit & Loss Account	195.45	(270.88)
ADJUSTED FOR		
Depreciation	286.72	286.66
Adjustment in Depreciation for Fixed Assets sale	0	0.28
Tax for the Year	(91.55)	0
Interest Paid	1,358.83	1,016.61
Operating Profit before Working Capital & Dividend	1,749.45	1,032.67
<b>INCREASE / (DECREASE) IN WORKING CAPITAL</b>		
Sundry Debtors	(55.56)	(1,148.00)
Inventory	(394.62)	(216.44)
Trade Receivable	59.15	1,544.19
Trade Payable	(95.19)	(1,965.72)
<b>NET CASH FROM OPERATING ACTIVITIES.....A</b>	<b>1,263.23</b>	<b>(753.30)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(13.49)	(3.48)
Proceeds from Sale of Fixed Assets	0	1.18
Investment in Subsidiary	(604.99)	(405.00)
Intangible Assets	0	(0.65)
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES.....B</b>	<b>(618.48)</b>	<b>(407.95)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Secured Loan	(389.58)	2,292.16
Unsecured Loan	0	0
Proceeds from Borrowings	1,082.51	37.14
Dividend Paid	(25.91)	(25.91)
Tax on Dividend	(4.20)	(4.20)
Interest paid	(1,358.83)	(1,016.61)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES.....C</b>	<b>(696.01)</b>	<b>1,282.58</b>
<b>Net Increase in Cash &amp; Cash Equivalent..... (A+B-C)</b>	<b>(51.26)</b>	<b>121.32</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>330.94</b>	<b>209.62</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>279.68</b>	<b>330.94</b>

For and on behalf of the Board

As per our report of even date attached  
For & on behalf ofSIRAJUDDIN QURESHI  
Chairman & Managing DirectorDR. NASEEM QURESHI  
DirectorM. K. AGGARWAL & CO.  
Chartered Accountants  
FRN - 01411NMOHD. ALI SHAUKAT  
General Manager  
(Finance & Accounts)M. S. MALIK  
Company SecretaryC. A. (M. K. AGGARWAL)  
Partner  
Membership No. 014956Place : New Delhi  
Date : 30.05.2013

## Notes forming part of the financial statements for the year ended on 31st March, 2013

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. 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.

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the revised schedule VI of the Companies Act, 1956.

#### B. 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.

#### C. FIXED ASSETS

##### 1. Tangible 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 in 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. 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.

#### 2. Intangible Assets and Amortization

Intangible Assets and related expenditure are recognised as per criteria specified in Accounting Standard 26 on "Intangible Assets" issued by the Institute of Chartered Accountants of India.

All costs, including Finance Cost till the commencement of commercial production are capitalized in costs of Intangible Assets. Also Intangible Assets relating to projects which have been decided to be shelved by the company are amortised over the period of 10 years.

#### D. 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.

The Intangible Assets is no longer in use amortised over the period of 10 years.

Leasehold Land is being amortised over the period of lease.

#### E. 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.

#### F. 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. Finished goods are valued at lower of cost or net realizable value.
- d. By-Product are valued at net realisable value.

#### G. REVENUE RECOGNITION

##### i) Sales

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

## Notes forming part of the financial statements for the year ended on 31st March, 2013

### 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

Depreciation is provided under the Straight Line Method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956.

### iv) Expenditure

The benefit under Duty Drawback on Raw Material has been reduced from raw material expenses on its realisable value.

## H. 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.

## I. 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 charged to the statement of profit and loss.

### 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 the statement of 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.

## J. FOREIGN EXCHANGE TRANSACTIONS

- a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account for the year.
- c) 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 statement of profit and loss for the year.
- d) Any profit and loss arising on cancellation or renewal of a forward exchange contract made during the year is recognised as income or as expense on the occurrence of the event.

## K. TAXATION

### Current Tax:

Provision for Current Income Tax is made on the taxable income using the applicable tax rates and tax laws.

### Deferred Tax:

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent period is recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is virtual certainty with respect to the reversal of the same in future years.

### Excise Duty, Sales Tax and Value Added Tax:

Excise duty is accounted on the basis of payment made in respect of removal of goods. Sales Tax / Value Added Tax is charged to statement of profit and loss.

## L. CONTINGENT LIABILITIES & PROVISION

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

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

## Notes forming part of the financial statements for the year ended on 31st March, 2013

Particulars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>2. SHAREHOLDER'S FUND</b>		
<b>SHARE CAPITAL</b>		
<b>Authorized:</b>		
16,000,000 (Previous year 16,000,000)		
Equity Shares, ₹ 10/- at Par Value	<b>160,000,000</b>	160,000,000
<b>Issued, Subscribed and Paid-Up:</b>		
8,636,240 (Previous year 8,636,240)		
Equity Shares, ₹ 10/- at Par Value	<b>86,362,400</b>	86,362,400
Out of the above:		
990 (Previous year 990) Equity Shares are allotted as fully paid-up pursuant to a contract without payment received in cash.		
{1,070,000 (Previous Year 1,070,000) Equity Shares of ₹ 10/- each fully paid up have been allotted as Bonus Shares by capitalization of the General Reserve.}		
<b>Add: Forfeited Shares</b>	<b>3,228,800</b>	3,228,800
<b>Total</b>	<b>89,591,200</b>	89,591,200

The Company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

### The details of shareholders holding more than 5% shares ;

Name of the Shareholders	As at March 31, 2013		As at March 31, 2012	
	No. of shares	% held	No. of shares	% held
Al-Mashriq Exports Private Limited	<b>2,228,800</b>	<b>25.81</b>	2,228,800	25.81
Mrs. Kiran Qureshi	<b>594,250</b>	<b>6.88</b>	594,250	6.88
Equity Intelligence India Limited	<b>577,449</b>	<b>6.69</b>	557,693	6.46

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2013, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 0.30 per share.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012. is set out below;

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	<b>8,636,240</b>	<b>86,362,400</b>	8,636,240	86,362,400
Add: Shares issued on exercise of employee stock options	<b>0</b>	<b>0</b>	0	0
Number of shares at the end	<b>8,636,240</b>	<b>86,362,400</b>	8,636,240	86,362,400

## Notes forming part of the financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>3. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	<b>3,228,800</b>	3,228,800
<b>Revaluation Reserve</b>		
Opening Balances	<b>1,526,735</b>	1,555,541
Less : Amortization of Land	<b>28,806</b>	28,806
Closing Balance	<b>1,497,929</b>	1,526,735
<b>Securities Premium Account</b>	<b>74,272,496</b>	74,272,496
<b>General Reserve</b>	<b>447,273,191</b>	471,343,518
Transferred From Statement of Profit and loss	<b>0</b>	(21,059,150)
Proposed Dividend (F.Y. 2011-12)	<b>0</b>	2,590,872
Tax on Dividend	<b>0</b>	420,305
<b>Closing Balance</b>	<b>447,273,191</b>	447,273,191
<b>Profit/(Loss) for the Year</b>	<b>15,600,959</b>	(21,059,150)
Transferred to General Reserve	<b>0</b>	21,059,150
<b>Less : Appropriation</b>		
Proposed Dividend (F.Y. 2012-13)	<b>2,590,872</b>	0
Tax on Dividend	<b>420,305</b>	0
<b>Closing Balance</b>	<b>12,589,782</b>	0
<b>Total</b>	<b><u>538,862,198</u></b>	<b><u>526,301,222</u></b>
<b>4. LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
Term Loan from Jammu & Kashmir Bank	<b>310,576,733</b>	349,534,431
<b>Total</b>	<b><u>310,576,733</u></b>	<b><u>349,534,431</u></b>

1. From Jammu & Kashmir Bank, the Corporate Loan is secured against property at A-1, Phase - 1, Okhla Industrial Area, New Delhi - 110020, personal guarantee of Mr. Sirajuddin Qureshi, Mrs Kiran Qureshi, Mr. Samar Qureshi, Dr. Naseem Qureshi, Corporate Guarantee of M/s. Hind Agro Industries Ltd, guarantee of M/s Islamuddin & Co M/s Hind Air Link Pvt Ltd and extended charge on property at 2A, A-Wing, Mittal Tower, Nariman Point, Mumbai of M/s Hind Air Link Pvt Ltd. The terms of payment is ₹ 7,719,000/- per month. The above term loan of Jammu & Kashmir Bank is payable with in the period of 7 years commencing from August 2011, repayment schedule is as under

Financial Year	Amount (in ₹)
2012-13	6,045,868
2013-14	44,823,366
2014-19	310,576,733



## Notes forming part of the financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>5. OTHER LONG TERM PROVISION</b>		
Provision for Gratuity	17,081,686	15,756,790
Leave Encashment Payable	1,160,625	1,339,088
<b>Total</b>	<b>18,242,311</b>	<b>17,095,878</b>
<b>6. DEFERRED TAXES</b>		
<b>Deferred Tax Liabilities</b>		
Related to Fixed Assets	52,613,938	57,489,052
<b>Total</b>	<b>52,613,938</b>	<b>57,489,052</b>
<b>Deferred Tax Assets</b>		
Provision for Doubtful Debts.	3,114,720	3,114,720
Provision for Leave Encashment	597,062	669,084
Provision for Gratuity	6,922,247	6,509,238
Provision for Bonus	107,417	112,340
<b>Total</b>	<b>10,741,446</b>	<b>10,405,381</b>
<b>Net Deferred Tax Liabilities / (Assets)</b>	<b>41,872,491</b>	<b>47,083,671</b>
<b>Previous Year Balance</b>	47,083,671	53,112,714
Deferred Tax Assets and Deferred Tax Liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the Deferred Tax Assets and Deferred Tax Liabilities relate to income taxes levied by the same Taxation Authority.		
<b>7. SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
Working Capital Loan from Banks	471,220,421	369,328,666
Term Loan from Jammu & Kashmir Bank	50,869,234	44,509,717
<b>Total</b>	<b>522,089,655</b>	<b>413,838,383</b>

### Working Capital Loans :

#### State Bank of Hyderabad :

Primary Security : Secured against the current assets of the company including raw material, work in progress, finished goods and advance to suppliers existing and future ( stocks at Sahibabad and other places ) of ₹ 49.35 Crore. Our share ₹ 19.74 Crore ( 40% ) valued as at 31st January 2013.

Equitable Mortgage of residential flat at 69, Cat III, 2nd and 3rd Floor and servant quarter No. 6, Siddartha Enclave, DDA, SFS Scheme, Ashram, New Delhi in the name of Mr. Sirajuddin Qureshi and fixed assets of the company (present & future) owned by M/s. Hind Industries Limited.

Personal guarantee of the following promoter directors ;

Mr. Sirajuddin Qureshi ₹ 8.68 crores as on 13.06.2012

Mrs. Kiran Qureshi ₹ 5.36 crores as on 13.06.2012

## Notes forming part of the financial statements for the year ended on 31st March, 2013

### Indian Bank :

#### Primary :

Packing Credit : DPN by the company and 1st pari passu charge on the current assets of the company including raw material, work in progress, finished goods and advance to suppliers existing and future (stock at Sahibabad and other places ). Entire book debts to be hypothecated to the consortium.

FBN / FBP / DP / DA 90 days : DPN by the company and documents of title to goods covered by foreign bills purchased / negotiated against firm contracts / drawn under irrevocable LCs of prime banks.

Cheque BP : DPN by the company and Agreement for bills purchased (for local / out station cheques).

Bank Guarantee : Counter guarantee by the company. Pledge of fixed deposits equivalent to 10% (as margin) of guarantee amount..

Collateral : 2nd charge on the fixed assets of the company WDV ₹ 30.21 crore ( as per ABS as on 31.03.2011 including capital work in progress). (Our share 60% ₹ 18.13 crore). {Existing status (upgraded charges) prevailing after adjustment of liability of first charge holders to be continued}.

Equitable Mortgage of residential flat at 69, Cat III, 2nd and 3rd Floor and servant quarter No. 6, Siddartha Enclave, DDA, SFS Scheme, Ashram, New Delhi in the name of Mr. Sirajuddin Qureshi valued ₹ 1.80 crore as per valuation dt. 12.05.2011 of our panel valuer S.K.Jain (our share 60% ₹ 1.08 crores).

Pledge of fixed deposit of ₹ 0.93 crore as on (corpus fund equivalent to 5% of the sanctioned FBP/FBN limit for the consortium i.e ₹ 18.50 crore). Our share being ₹ 0.56 crore.

Personal guarantee of the following promoter directors ;

Mr. Sirajuddin Qureshi ₹ 8.00 crores as on 31.03.2011

Mrs. Kiran Qureshi ₹ 4.90 crores as on 31.03.2011

#### Term Loan from Jammu & Kashmir Bank.

Equitable mortgage of immovable property situated at A-1, Phase-I, Okhla Industrial Area, standing in the name of M/s Islamuddin & Co, one of the group Companies valued at ₹ 43.62 crores as per valuation report dated 18 th June, 2011; Escrow of rentals of M/s Islamuddin & Co with retention balance of ₹ 20.00 lacs at any point of time together with FDR for ₹ 57.19 lacs to provide minimum cushion for one month's repayment.

Extention of charges on immovable property proposed in the Term Loan facility of group concern M/s Hind Airlink Pvt. Ltd consisting of office No: 2A on ground floor and office No: 2A in Basement, A Wing, Mittal Tower Premises Cooperative Society Limited, C.S. No. : 1957, 210 Nariman Point Mumbai valued at ₹ 20.13 crores as per valuation report dated 15.06.2010 of M/s Basavraj Masanagi & Co.

Corporate guarantee of M/s Hind Agro Industrial Limited having net worth of ₹ 93.08 crores.

Personal guarantee of all three promotor directors of the borrower company namely:-

Mr. Sirajuddin Qureshi (NW ₹ 7.94 crores)

Mrs. Kiran Qureshi (NW ₹ 4.14 crores)

Dr. Naseem Qureshi (NW ₹ 2.43 crores)

Guarantee of the mortgage, M/s Islamuddin & Co., and M/s Hind Airlink Private Ltd.

## Notes forming part of the financial statements for the year ended on 31st March, 2013

Pariculars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>8. TRADE PAYABLES</b>		
Trade Payables	<b>48,914,636</b>	34,967,503
<b>Total</b>	<b>48,914,636</b>	<b>34,967,503</b>

### Amounts 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.

### 9. OTHER CURRENT LIABILITIES

Salaries and Wages	<b>2,804,250</b>	2,407,301
Bonus and Incentives	<b>331,073</b>	346,246
TDS Payable	<b>356,527</b>	1,074,329
PF Payable	<b>136,828</b>	128,403
Director's Salary Payable	<b>2,254,540</b>	0
Advance Received from Customers	<b>17,317,139</b>	49,858,834
Expenses Payables	<b>1,650,388</b>	1,552,086
Advances Received as Security Money	<b>3,300,000</b>	50,000
Gratuity Obligation	<b>4,253,642</b>	4,305,585
Leave Encashment Payable	<b>679,604</b>	723,122
Audit Fees Payable	<b>758,430</b>	758,430
M.D.Commission Payable	<b>255,602</b>	0
Associated Company- Related Party	<b>214,338</b>	2,498,000
Bank Overdraft	<b>623,936</b>	5,122,533
Unpaid Dividends	<b>1,576,234</b>	1,455,324
<b>Total</b>	<b>36,512,531</b>	<b>70,280,193</b>

### 10. SHORT-TERM PROVISIONS

Provision for Dividend	<b>2,590,872</b>	2,590,872
Provision for Income Tax & Dividend Tax	<b>9,575,090</b>	420,305
<b>Total</b>	<b>12,165,962</b>	<b>3,011,177</b>

## Notes Annexed to and forming part of the financial statements for the year ended on 31st March, 2013

### 11. Fixed Assets

#### A. TANGIBLE ASSETS.

Details	Gross Block				Depreciation			Net Block		
	As at April 01, 2012	Additions During the year	Deductions during the year	Total as at March 31, 2013	As at April 01, 2012	Depreciation for the year	Deductions during the year	Total as at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Leasehold Land	3,105,460	0	0	3,105,460	910,934	41,406	0	952,340	2,153,120	2,194,526
Factory Building	65,239,537	0	0	65,239,537	34,899,568	2,179,001	0	37,078,569	28,160,968	30,339,969
Plant & Machinery	492,951,455	0	0	492,951,455	268,262,105	23,421,436	0	291,683,541	201,267,914	224,689,350
Furniture & Fixture	24,904,944	11,920	0	24,916,864	18,314,866	1,570,105	0	19,884,971	5,031,893	6,590,078
Office Equipment	3,730,471	43,300	0	3,773,771	2,114,925	164,206	0	2,279,131	1,494,640	1,615,546
Vehicle	3,665,753	0	0	3,665,753	3,406,116	90,579	0	3,496,695	169,058	259,637
Truck	5,264,003	1,287,500	0	6,551,503	2,252,541	595,758	0	2,848,299	3,703,204	3,011,462
Computers	1,532,902	5,950	0	1,538,852	947,163	151,651	0	1,098,814	440,038	585,739
Electrical Equipments	17,995	0	0	17,995	17,995	0	0	17,995	0	0
<b>Total</b>	<b>600,412,520</b>	<b>1,348,670</b>	<b>0</b>	<b>601,761,190</b>	<b>331,126,213</b>	<b>28,214,141</b>	<b>0</b>	<b>359,340,354</b>	<b>242,420,835</b>	<b>269,286,307</b>
<b>Previous year</b>	<b>600,218,432</b>	<b>348,458</b>	<b>154,370</b>	<b>600,412,520</b>	<b>302,982,854</b>	<b>28,207,808</b>	<b>64,449</b>	<b>331,255,111</b>	<b>269,157,409</b>	<b>297,235,578</b>

#### B. INTANGIBLE ASSETS.

Details	Gross Block			Depreciation			Net Block			
	As at April 01, 2012	Additions During the year	Deductions during the year	Total as at March 31, 2013	As at April 01, 2012	Amortization for the year	Deductions during the year	Total as at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Salboni Project	2,262,338	0	0	2,262,338	226,234	226,234	0	452,468	1,809,870	2,036,104
Bhiwadi Project	6,618	0	0	6,618	662	662	0	1,324	5,294	5,956
Energy Project	2,596,221	0	0	2,596,221	259,622	259,622	0	519,244	2,076,977	2,336,599
<b>Total</b>	<b>4,865,177</b>	<b>0</b>	<b>0</b>	<b>4,865,177</b>	<b>486,518</b>	<b>486,518</b>	<b>0</b>	<b>973,036</b>	<b>3,892,141</b>	<b>4,378,659</b>
<b>Previous year</b>	<b>0</b>	<b>4,865,177</b>	<b>0</b>	<b>4,865,177</b>	<b>486,518</b>	<b>486,518</b>	<b>0</b>	<b>486,518</b>	<b>4,378,659</b>	<b>0</b>

a) Depreciation for the year includes amortization of land of ₹ 41,406 of which ₹ 28,806 is transferred from Revaluation Reserve and ₹ 12,600 is debited to Profit & Loss Account.

b) The intangible assets are amortised over the estimated life of the assets.

c) 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.

## Notes forming part of the financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>12. Non-Current Investments</b>		
Long Term Investments - At Cost ( Unquoted )		
Investments in equity instruments of subsidiaries of Hind Agro Industries Ltd.	<b>354,829,200</b>	294,330,000
No. of shares 2012-13      31,991,600		
No. of shares 2011-12      26,950,000		
<b>Total</b>	<b><u>354,829,200</u></b>	<b><u>294,330,000</u></b>
<b>13. Long Term Loans and Advances</b>		
Unsecured, Considered Good		
Advance for Share	<b>10,600,000</b>	10,600,000
Less : Provision for Advance	<u>5,600,000</u>	<u>5,000,000</u>
<b>Security Deposits</b>		
Security Deposits with Government	<b>12,016,595</b>	12,516,595
Security Deposits with Others	<u>7,301,270</u>	<u>6,618,000</u>
Incentive / Refund Recoverable	<b>17,015,582</b>	20,360,241
<b>Total</b>	<b><u>41,333,447</u></b>	<b><u>44,494,836</u></b>
<b>CURRENT ASSETS</b>		
<b>14. INVENTORIES</b>		
Finished Goods	<b>421,665,358</b>	381,560,594
Stores & Spares	<b>1,626,807</b>	2,088,427
Fuel	<b>1,586,611</b>	566,292
Packing Material	<b>3,980,598</b>	5,181,752
<b>Total</b>	<b><u>428,859,374</u></b>	<b><u>389,397,065</u></b>
<b>15. TRADE RECEIVABLES</b>		
Unsecured, Considered good		
Debts outstanding for a period exceeding six months	<b>129,491,969</b>	56,976,697
Others Receivable	<b>274,742,073</b>	341,701,474
Over Six Months - Considered Doubtful	<b>4,000,000</b>	4,000,000
	<u>408,234,042</u>	<u>402,678,171</u>
Less : Provision for Doubtful Debts.	<b>4,000,000</b>	4,000,000
<b>Total</b>	<b><u>404,234,042</u></b>	<b><u>398,678,171</u></b>

Balance under Trade Receivable are subject to confirmation and reconciliation and consequent adjustments thereof.

### Provision for Doubtful Debts.

Periodically, the Company evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could affect the customer's ability to settle. The Company normally provides for trade receivable outstanding for six months or longer from the invoice date, as at the Balance Sheet date. The Company pursues the recovery of the dues, in part or full.

## Notes forming part of the financial statements for the year ended on 31st March, 2013

Particulars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>16. CASH AND CASH EQUIVALENTS</b>		
Cash In hand	489,421	475,586
Cheques In hand	0	31,158
<b>Balances with Banks</b>		
In Current and Deposit Accounts	3,801,841	8,247,871
In EEFC Accounts	0	694,382
Balances with Banks in Unpaid Dividend Accounts	1,575,554	1,455,209
Balances with Banks held as margin money deposits	22,100,695	22,190,081
<b>Total</b>	<b>27,967,511</b>	<b>33,094,287</b>
Cash and cash equivalents as of March 31, 2013 and March 31, 2012 include restricted cash and bank balances of ₹ 236.45 lacs and ₹ 194.60 lacs respectively. The restrictions are primarily on account of lien on margin money / FDR's in lieu of ECGC policies and unclaimed dividends.		
<b>17. SHORT-TERM LOANS AND ADVANCES</b>		
<b>UNSECURED AND CONSIDERED GOODS</b>		
Related Companies ( Refer note 29A )	39,528,293	61,105,465
Advance to Suppliers	75,181,789	55,560,562
Loans and Advances to Employees	334,076	999,308
Prepaid Expenses	247,008	378,999
<b>Total</b>	<b>115,291,166</b>	<b>118,044,334</b>
The current assets, loan and advances are realizable at the value stated in the Balance Sheet in the ordinary course of business.		
<b>18. REVENUE FROM OPERATIONS</b>		
Sales - Export	667,153,144	1,163,630,318
Sales - Domestic	849,341,666	238,577,225
<b>Total</b>	<b>1,516,494,810</b>	<b>1,402,207,543</b>
Less : Excise Duty	178,590	118,549
<b>Total</b>	<b>1,516,316,220</b>	<b>1,402,088,994</b>
<b>19. OTHER INCOME</b>		
Licence - DEPB	204,228	0
Interest Received on Deposits with Banks	1,460,881	1,549,170
Export Incentives	11,107,549	10,304,323
Profit on Sale of Fixed Assets.	0	28,079
Interest on Securities	115,000	0
Miscellaneous Income	36,659	108,169
<b>Total</b>	<b>12,924,317</b>	<b>11,989,741</b>

## Notes forming part of the financial statements for the year ended on 31st March, 2013

Particulars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>20. MANUFACTURING EXPENSES</b>		
Wages & Workers's Welfare	22,547,184	22,312,657
Packing Material Consumed	8,797,402	10,139,717
Power and Fuel Consumption	41,429,542	47,173,696
Consumable Stores	2,090,483	1,948,970
Repair & Maintenance	5,011,305	6,057,763
Insurance	540,632	534,668
Security Charges	1,124,610	1,112,775
Others	1,333,167	3,348,282
<b>Total</b>	<b>82,874,325</b>	<b>92,628,528</b>
<b>21. PERSONNEL EXPENDITURE</b>		
Salaries, Bonus and Other Benefits	19,207,461	22,332,680
Contribution to Provident and Other Funds	2,200,157	2,160,554
Staff Welfare Expenses	630,047	645,247
<b>Total</b>	<b>22,037,665</b>	<b>25,138,481</b>

### EMPLOYEE BENEFITS :

Defined Benefit Plan : The company provides for its liability towards gratuity as per the actuarial valuation.

### FINANCIAL ASSUMPTION :

- Discount Rate : The rate used to discount post employment benefit obligations ( both funded and unfunded ) has been determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post employment benefit obligations.
- Salary Increase : Salary increase is taken in to account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- Rate of Return on Plan Assets: The liability is not funded and rate of return on plan assets is not relevant to this report.

## Notes forming part of the financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>TABLE SHOWING CHANGES IN PRESENT VALUE OF OBLIGATIONS DURING THE PERIOD</b>		
Present Value of Obligation as at the beginning of the period	2,062,210	1,862,622
Acquisition Adjustment	0	0
Interest Cost	179,412	150,872
Past Service Cost	0	0
Current Service Cost	157,391	181,543
Curtailment Cost / (Credit)	0	0
Settlement Cost / (Credit)	0	0
Benefit Paid	(278,827)	(249,681)
Actuarial (Gain) / Loss on obligations	(279,957)	116,854
Present Value of Obligation as at the end of the period	1,840,229	2,062,210
<b>TABLE SHOWING FAIR VALUE OF PLAN ASSETS DURING THE PERIOD</b>		
Fair Value of Plan Assets at the beginning of the period	0	0
Acquisition Adjustment	0	0
Expected Return on Plan Assets	0	0
Contributions	0	0
Benefit Paid	0	0
Actuarial (Gain)/ Loss on Plan Assets	0	0
Fair Value of Plan Assets at the end of the period	0	0
<b>TABLE SHOWING FAIR VALUE OF PLAN ASSETS</b>		
Fair Value of Plan Assets at the beginning of the period	0	0
Acquisition Adjustment	0	0
Actual Return on Plan Assets	0	0
Contributions	0	0
Benefit Paid	0	0
Fair Value of Plan Assets at the end of the period	0	0
Funded Status	(1,840,229)	(2,062,210)
Excess of Actual over Expected Return on Plan Assets	0	0
<b>ACTUARIAL (GAIN)/LOSS RECOGNIZED FOR THE PERIOD</b>		
Actuarial (Gain)/Loss for the Period - Obligation	279,957	(116,854)
Actuarial (Gain)/Loss for the Period - Plan Assets	0	0
Total (Gain)/Loss for the Period	(279,957)	116,854
Actuarial (Gain)/Loss recognized in the period	(279,957)	116,854
Unrecognized Actuarial (Gains)/Losses at the end of Period	0	0



## Notes forming part of the financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>THE AMOUNT TO BE RECOGNIZED IN THE BALANCE SHEET AND STATEMENTS OF PROFIT AND LOSS</b>		
Present Value of Obligation as at the end of the period	1,840,229	2,062,210
Fair Value of Plan Assets at the end of the period	0	0
Funded Status	(1,840,229)	(2,062,210)
Unrecognized Actuarial (Gains)/Losses	0	0
Net Liability Recognized in Balance Sheet	1,840,229	2,062,210
<b>EXPENSES RECOGNIZED IN THE STATEMENTS OF PROFIT AND LOSS FOR THE PERIOD</b>		
Current Service Cost	157,391	181,543
Past Service Cost	0	0
Interest Cost	179,412	150,872
Expected Return on Plan Assets	0	0
Curtailment Cost/(Credit)	0	0
Settlement Cost/(Credit)	0	0
Net Actuarial (Gain)/Loss recognized in the period	(279,957)	116,854
Expenses Recognized in the Statement of Profit and Loss	56,846	449,269
<b>AMOUNT FOR THE CURRENT PERIOD</b>		
Present Value of Obligation	1,840,229	2,062,210
Plan Assets	0	0
Surplus/(Deficit)	(1,840,229)	(2,062,210)
Experience Adjustments on Plan Liabilities (Loss)/Gain	331,416	(170,758)
Experience Adjustments on Plan Assets (Loss)/Gain	0	0
<b>22. FINANCIAL COSTS</b>		
Interest on Term Loans	60,029,785	45,712,497
Interest on Working Capital and Other Bank Interest and Charges	75,853,690	55,948,981
<b>Total</b>	<b>135,883,475</b>	<b>101,661,478</b>
<b>23. LOGISTIC AND OTHER SELLING &amp; DISTRIBUTION EXPENSES</b>		
Freight and Forwarding Expenses	82,262,245	158,065,569
Business Promotion Expenses	1,837,025	2,568,680
<b>Total</b>	<b>84,099,270</b>	<b>160,634,249</b>

## Notes forming part of the financial statements for the year ended on 31st March, 2013

Particulars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>24. ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	5,180,640	5,107,200
Vehicle Running & Maintenance	391,411	502,662
Electricity Expenses	1,167,590	908,835
Travelling & Conveyance	1,387,860	2,705,185
Rates, Taxes , Subscription and Fees	3,403,547	3,366,149
Printing & Stationery	841,723	1,391,439
Audit Fee	758,430	758,430
Certification Charges	196,632	182,846
Legal & Professional Charges	2,783,921	1,844,675
Insurance Expenses	184,567	207,668
Postage Expenses	390,211	223,240
Telephone Expenses	1,518,100	1,870,970
Misc. Expenses	893,556	1,506,529
<b>Total</b>	<b>19,098,188</b>	<b>20,575,828</b>
<b>25. EXTRA ORDINARY ITEMS WRITTEN OFF</b>	<b>0</b>	<b>66,004,197</b>
<b>Total</b>	<b>0</b>	<b>66,004,197</b>
<b>Payment to Auditors :</b>		
Statutory Audit Fees	617,980	617,980
Tax Audit Fees	140,450	140,450
Certification Charges	196,632	161,956
<b>Total</b>	<b>955,062</b>	<b>920,386</b>

26. The set-off of losses / unabsorbed depreciation has been considered for calculating income tax in view of pending appeal, of which the company is confident of favourable order.

### 27. CONTINGENT LIABILITIES

(a) Claims against the Company not acknowledged as Debt: 0 0

(b) Guarantees and other Contingencies

Particulars	As at	As at
	31-03-2013	31-03-2012
	(₹ in lacs)	(₹ in lacs)
<b>Guarantees given for:</b>		
Subsidiary	9,550	6,275
Associate Company	1,050	1,050
Others	78	98

## Notes forming part of the financial statements for the year ended on 31st March, 2013

### 28. 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 -17 (AS-17) on "Segment Reporting", issued by the Institute of Chartered Accountants of India, are not applicable.

### 29. RELATED PARTY DISCLOSURES.

#### A. PARTICULARS OF RELATED PARTIES:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Debit ₹ in lacs	Credit ₹ in lacs	Amount as on 31.03.2013 ₹ in lacs
1.	Hind Agro Ind. Ltd.	Subsidiary Co.	Business Transactions	6829.92	7055.98	Debit 385.00
2.	Islamuddin & Co.	Firm in Which KMP are Interested	Rent Paid	35.98	26.97	Debit 7.02
3.	Al- Mashriq Exports (P) Ltd.	Firm in Which KMP are Interested	Business Transactions	10.29	NIL	Debit 10.29
4.	Samar Travels & Cargo (P) Ltd.	Firm in Which KMP are Interested	Business Transactions	NIL	NIL	NIL
5.	Fast Trax Food (P) Ltd.	Firm in Which KMP are Interested	Business Transactions	7.00	7.00	NIL
6.	Mrs. Kiran Qureshi	Relatives of KMP	Rent Paid	1.20	12.00	Credit 10.80
7.	Hind Air Link (P) Ltd.	Firm in Which KMP are Interested	Business Transactions	25.70	2.86	Credit 2.14
8.	Aliffa Agro (India) (P) Ltd	Firm in Which KMP are Interested	Business Transactions	NIL	NIL	NIL
9.	Eatcco Foods (P) Ltd.	Firm in Which KMP are Interested	Business Transaction	NIL	NIL	NIL
10.	Hind Air Star (P) Ltd	Firm in Which KMP are Interested	Business Transaction	70.00	70.00	NIL
11.	Hind Air Services (P) Ltd	Firm in Which KMP are Interested	Business Transactions	NIL	NIL	NIL
12.	Integrated Live Stock Village Farm (P) Ltd	Firm in Which KMP are Interested	Business Transactions	1542.93	1540.20	Debit 2.72

Related Parties and related party relationships are identified by the company and relied upon by the Auditors

## Notes forming part of the financial statements for the year ended on 31st March, 2013

### B. KEY MANAGERIAL PERSONNEL

Sr. No.	Name of the persons	Nature of relation	Nature of transaction	Amount (₹ in Lacs)
1.	Shri Sirajuddin Qureshi	Managing Director	Remuneration	57.60
2.	Smt. Kiran Qureshi	Director	Rent	12.00
3.	Dr. Naseem Qureshi	Director	0	0
4.	Mr. Anil Vanjani	Chief Executive Officer	Remuneration	10.31

Particulars	Year ending 31.03.2013	Year ending 31.03.2012
-------------	---------------------------	---------------------------

### 30. EARNING PER SHARE

Profit After Tax	<b>156.01 Lacs</b>	(210.59) Lacs
Weighted No. of Shares	<b>8636240</b>	8636240
Basic Earning per Share	<b>1.81</b>	(2.44)
Diluted Earning per Share	<b>1.81</b>	(2.44)

31. In the opinion of the management, the Current Assets, Loans and Advances are realizable at the value stated in the Balance Sheet, in the ordinary course of business.

32. Balances under Trade Receivable, Trade Payable, Loans and Advances are subject to confirmation and reconciliation and consequent adjustments thereof. The outstanding Trade Receivables which may not be recoverable could not be ascertained at the year end.

33. The company has given on loan its finished goods inventory at various intervals to its subsidiary company which is subsequently received in due course. In the opinion of the management, the above practice is adopted to have better realisation as per the practice prevailing in the industry.

34. 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 statements.

35. **Research and Development Expenses: NIL (Previous Year – NIL)**

36. **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 disclosure, 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.

## Notes forming part of the financial statements for the year ended on 31st March, 2013

### 37. Particulars of purchases, sales and closing stock for the year ended 31st March, 2013

Items	Opening Stock (MT)	Value (₹)	Production (MT)	Sales (MT)	Value (₹)	Closing Stock (MT)	Value (₹)
Fresh	Nil	Nil	868.200	868.200	305,730,410	Nil	Nil
	(Nil)	(Nil)	(1,891.750)	(1,891.750)	(570,656,230)	(Nil)	(Nil)
Frozen	3,081.925	380,705,484	1,477.811	2,072.016	352,236,046	2,487.720	420,623,698
	(3,030.795)	(356,357,069)	(4,177.920)	(4,126.760)	(620,190,539)	(3,081.925)	(380,705,484)

(Figures in bracket represent previous year figures)

### 38. PARTICULARS OF RAW MATERIAL CONSUMED

Items	Year ended 31 <sup>st</sup> March, 2013		Year ended 31 <sup>st</sup> March, 2012	
	Quantity (MT)	Value (₹)	Quantity (MT)	Value (₹)
Fresh	891.841	173,433,436	1,973.588	385,342,929
Frozen	1488.024	180,536,727	4,227.705	398,568,595

Particulars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>39. EARNING IN FOREIGN CURRENCY</b>		
FOB Value of Export Goods (On Accrual Basis)	592,522,055	1,051,963,744
<b>40. FINANCIAL AND DERIVATIVE INSTRUMENT</b>		
Derivative contracts entered in to by the Company and outstanding as on 31 March, 2013		
Forward Contracts	NIL	304,410,000
<b>41. EXPENDITURE IN FOREIGN CURRENCY</b>		
Value of Remittance	1,940,867	165,949

42. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8<sup>th</sup> February 2011 and 21<sup>st</sup> February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

The company shall make available the separate financial statements of the subsidiary to the shareholders of the holding and subsidiary company whenever required at any point of time.

## Notes forming part of the financial statements for the year ended on 31st March, 2013

**43. Disclosures as required u/s 212 of the Companies Act 1956,**
**PARTICULARS WITH REGARD TO SUBSIDIARY COMPANY**

Name of the Subsidiary : Hind Agro Industries Limited  
Country of Incorporation : India  
Registered Address : Central Dairy Farm Complex, Anupshahr Road, Aligarh, (U.P.) - 202 122

Particulars	Amount in ₹	
	As on 31.03.2013	As on 31.03.2012
1) Share Capital	453,832,700	331,500,700
2) Reserves	775,501,744	690,851,174
3) Total Assets	4,908,775,409	3,978,672,506
4) Total Liabilities	3,679,440,965	2,956,320,632
5) Investment Details	NIL	NIL
6) Turnover	7,191,432,742	7,035,129,336
7) Profit Before Tax	93,696,086	94,323,359
8) Provision for Taxes	37,421,322	18,392,633
9) Proposed Dividend	NIL	NIL

44. Previous year figures have been reclassified in accordance with current year requirements.

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

**M. K. AGGARWAL & CO.**  
Chartered Accountants  
FRN - 01411N

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

**M. S. MALIK**  
Company Secretary

**C. A. (M. K. AGGARWAL)**  
Partner  
Membership No. 014956

Place : New Delhi  
Date : 30.05.2013

## Disclosure as Required under Clause 32 of the Listing Agreement

(₹ in Lakhs)

Particulars	Current Year		Previous Year	
	Amount as on 31.03.2013	Maximum amount outstanding during the year ended 31.03.2013	Amount as on 31.03.2012	Maximum amount outstanding during the year ended 31.03.2012
1. Loans and advances in the nature of loans:				
a. To subsidiary Company: Hind Agro Industries Limited	385.00	385.00	611.05	611.05
b. To Companies/Firms in which Directors are interested	Nil	Nil	Nil	Nil
2. Investment by the Subsidiary Company in the shares of Hind Industries Limited and its subsidiaries.	Nil	Nil	Nil	Nil

# Independent Auditors' Report

To the Members of Hind Industries Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Hind Industries Limited ('the Company') and its subsidiary "Hind Agro Industries Limited" which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We did not audit the financial statements of its subsidiary, whose financial statements reflect total assets of ₹ 490.88 crores as at 31<sup>st</sup> March, 2013 and total revenues of ₹ 729.80 crores for the year ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary is based solely on the reports of the other auditors.

Consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard-21 (AS-21), issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Hind Agro Industries Limited included in the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and in case of holding company, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **M/s M. K. AGGARWAL & CO.**  
*Chartered Accountants*  
(FRN – 01411N)

**C. A. (M. K. AGGARWAL)**  
*Partner*  
(M. No. 014956)

Place: New Delhi  
Date: 30-05-2013



## Consolidated Balance Sheet as at 31st March, 2013

Particulars	Notes	As at 31.03.2013 ₹	As at 31.03.2012 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	89,591,200	89,591,200
Reserves and Surplus	3	1,085,529,321	1,087,942,242
Minority Interest	3	362,751,320	191,210,854
<b>Total</b>		<b>1,537,871,841</b>	<b>1,368,744,296</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	823,730,159	496,311,209
Other Long-Term Provisions	5	38,667,236	35,164,420
Deferred Tax Liabilities (Net)	6	15,210,722	24,331,308
<b>Total</b>		<b>877,608,117</b>	<b>555,806,937</b>
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	7	2,923,523,868	2,414,068,421
Trade Payables	8	247,447,904	328,647,987
Other Current Liabilities	9	503,172,667	483,860,888
Short-Term Provisions	10	53,427,274	26,495,271
<b>Total</b>		<b>3,727,571,713</b>	<b>3,253,072,567</b>
<b>Grand Total</b>		<b>6,143,051,671</b>	<b>5,177,623,800</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	11	1,289,459,078	1,375,064,748
Intangible Assets	11	3,892,141	4,378,659
Capital Work in Progress		750,000	750,000
<b>Total</b>		<b>1,294,101,219</b>	<b>1,380,193,407</b>
Non-Current Investments	12	0	0
Long-Term Loans and Advances	13	160,195,380	208,067,775
<b>Total</b>		<b>160,195,380</b>	<b>208,067,775</b>
<b>Goodwill on Consolidation</b>		<b>34,913,200</b>	<b>24,830,000</b>
<b>CURRENT ASSETS</b>			
Inventories	14	1,420,152,675	1,448,750,856
Trade Receivables	15	2,083,740,713	1,427,845,959
Cash and Cash Equivalents	16	249,874,564	138,351,604
Short-Term Loans and Advances	17	900,073,920	549,584,199
<b>Total</b>		<b>4,653,841,872</b>	<b>3,564,532,618</b>
<b>Grand Total</b>		<b>6,143,051,671</b>	<b>5,177,623,800</b>

SIGNIFICANT ACCOUNTING POLICIES:  
THE ACCOMPANYING NOTES ARE AN INTEGRAL  
PART OF THE FINANCIAL STATEMENTS.

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For and on behalf of the Board

As per our report of even date attached  
For & on behalf ofSIRAJUDDIN QURESHI  
Chairman & Managing DirectorDR. NASEEM QURESHI  
DirectorM. K. AGGARWAL & CO.  
Chartered Accountants  
FRN - 01411NMOHD. ALI SHAUKAT  
General Manager  
(Finance & Accounts)M. S. MALIK  
Company SecretaryC. A. (M. K. AGGARWAL)  
Partner  
Membership No. 014956Place : New Delhi  
Date : 30.05.2013





## Consolidated Statement of Profit and Loss for the year ended on 31st March, 2013

Particulars	Notes	As at 31.03.2013 ₹	As at 31.03.2012 ₹
<b>INCOME</b>			
Revenue from Operations	18	8,707,748,962	8,437,218,330
Other Income	19	119,541,420	97,784,829
<b>Total Revenue</b>		<b>8,827,290,382</b>	<b>8,535,003,159</b>
<b>OPERATING EXPENDITURE</b>			
Cost of Material Consumed		4,590,671,635	6,160,145,207
Purchase of Stock in Trade		2,392,731,366	712,527,424
Changes in Inventories of Finished Goods, Stock in process and Stock in Trade		28,028,450	(93,952,119)
Manufacturing Expenses	20	408,715,367	460,574,003
Personnel Expenditure	21	53,969,907	54,449,663
Financial Costs	22	527,901,271	352,245,394
Logistic and Other Selling & Distribution Expenses	23	475,917,994	563,948,771
Administrative & Other Expenses	24	124,807,762	93,558,654
<b>Total Expenditure</b>		<b>8,602,743,752</b>	<b>8,303,496,997</b>
<b>PROFIT BEFORE DEPRECIATION, EXTRAORDINARY ITEMS AND TAXES</b>		<b>224,546,630</b>	231,506,162
Extra Ordinary Items Written Off.	25	0	66,004,197
<b>PROFIT BEFORE DEPRECIATION AND TAXES</b>		<b>224,546,630</b>	165,501,965
Depreciation and Amortisation Expense	11	111,305,980	98,266,798
<b>PROFIT BEFORE TAX</b>		<b>113,240,650</b>	67,235,167
Tax Expense:			
Current Tax		46,576,107	18,392,633
Deferred Tax Written Back		(9,120,586)	27,773,953
Mat Credit Entitlement ( Refer to Note no.11 )		0	(38,269,315)
<b>PROFIT FOR THE YEAR</b>		<b>75,785,129</b>	59,337,895
<b>EARNINGS PER EQUITY SHARE</b>		<b>6.72</b>	5.13
SIGNIFICANT ACCOUNTING POLICIES :	1-47		
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.			

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

**M. K. AGGARWAL & CO.**  
Chartered Accountants  
FRN - 01411N

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

**M. S. MALIK**  
Company Secretary

**C. A. (M. K. AGGARWAL)**  
Partner  
Membership No. 014956

Place : New Delhi  
Date : 30.05.2013

## Consolidated Cash Flow Statement for the year ended on 31st March, 2013

(Amount in Rupees in lacs except as otherwise stated)

Particulars	As at	
	31.03.2013	31.03.2012
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation as per Profit & Loss Account	1,132.41	672.35
<b>ADJUSTED FOR</b>		
Depreciation	1,113.06	982.67
Deferred Tax Income/(Expense)	91.21	(338.03)
Mat Credit Entitlement	0	382.69
Adjustment in Depreciation for Fixed Assets sale	0	(2.42)
Tax for the Year	(465.76)	(183.93)
I.F.C.I Restructuring Account Written Back	0	(79.25)
Tax for the Earlier Year	0	0
Interest Paid	5,279.01	3,522.45
Operating Profit before Working Capital & Dividend changes	7,149.93	4,956.53
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>		
Sundry Debtors	(6,558.95)	(3,025.82)
Inventory	285.98	(1,010.01)
Trade Receivable	(3,026.17)	3,812.95
Trade Payable	(405.74)	(3,760.21)
<b>NET CASH FROM OPERATING ACTIVITIES.....A</b>	<b>(2,554.95)</b>	<b>973.44</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(252.43)	(3,491.22)
Capital Work in Progress	0	2,069.56
Proceeds from Sale of Fixed Assets	0	3.88
Intangible Assets	0	(0.65)
Goodwill on Consolidation	(100.83)	(135.00)
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES.....B</b>	<b>(353.26)</b>	<b>(1,553.43)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital to Minority	963.82	0
Proceeds from Long Term Borrowings	3,274.19	2,489.02
Proceeds from Short Term Borrowings	5,094.55	1,557.80
Dividend Paid	(25.91)	(25.91)
Tax on Dividend	(4.20)	(4.20)
Interest paid	(5,279.01)	(3,522.45)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES.....C</b>	<b>4,023.44</b>	<b>494.26</b>
<b>Net Increase in Cash &amp; Cash Equivalent..... (A+B-C)</b>	<b>1,115.23</b>	<b>(85.73)</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>1,383.51</b>	<b>1,469.24</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>2,498.74</b>	<b>1,383.51</b>

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

**M. K. AGGARWAL & CO.**  
Chartered Accountants  
FRN - 01411N

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

**M. S. MALIK**  
Company Secretary

**C. A. (M. K. AGGARWAL)**  
Partner  
Membership No. 014956

Place : New Delhi

Date : 30.05.2013

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A 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.

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the revised schedule VI of the Companies Act, 1956.

#### B 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 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.

#### C FIXED ASSETS

##### 1. Tangible 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 upgradations / enhancements are generally charged off as revenue expenditure unless they bring significant additional benefits of lasting nature.
- d) 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.

#### 2. Intangible Assets and Amortisation

Intangible Assets and related expenditure are recognized as per criteria specified in Accounting Standard 26 (AS-26) on "Intangible Assets" issued by the Institute of Chartered Accountants of India.

#### D 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 basis.
- ii) Stores & spares purchased are taken as consumption during the year.
- iii) Finished goods are valued at lower of cost or net realizable value.
- iv) By Products are valued at net realizable value.

#### E 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 benefit under Duty Drawback on Raw Material has been reduced from raw material expenses on its realisable value.

#### F 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. Depreciation on addition / deletion is calculated on pro-rata basis.
- ii) The Intangible assets are amortised over the period of 10 years.
- iii) Leasehold land is being amortised over the period of lease.

#### G INVESTMENTS

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

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

is to be made, if the decline in value is other than temporary in nature.

### **H 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.

### **I 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 charged to the statement of profit and loss.

#### **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.

### **J 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 statement of profit and loss 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.

Any profit and loss arising on cancellation or renewal of a forward exchange contract made during the year is recognized as income or as expense on the occurring of the event.

### **K TAXATION**

#### **Current Tax**

Provision for current income taxes is made on the taxable income using the applicable tax rates and tax laws.

#### **Deferred Tax**

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or subsequently enacted. Deferred tax assets are not recognized unless there is virtual certainty with respect to the reversal of the same in future years.

#### **Excise Duty, Sales Tax and Value Added Tax**

Excise duty is accounted on the basis of payment made in respect of goods cleared. Sales Tax / Value Added Tax is charged to statement of profit and loss.

### **L 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.

### **M 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 Accounting Standard-21 (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.

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>2. SHAREHOLDER'S FUND</b>		
<b>SHARE CAPITAL</b>		
<b>Authorized:</b>		
16,000,000 (Previous year 16,000,000) Equity Shares, ₹ 10/- at Par Value	<b>160,000,000</b>	160,000,000
<b>Issued, Subscribed and Paid-Up:</b>		
8,636,240 (Previous year 8,636,240) Equity Shares, ₹ 10/- at Par Value	<b>86,362,400</b>	86,362,400
Out of the above:		
990 (Previous year 990) Equity Shares are allotted as fully paid-up pursuant to a contract without payment received in cash. {1,070,000 (Previous Year 1,070,000) Equity Shares of ₹ 10/- each fully paid up have been allotted as Bonus Shares by capitalization of the General Reserve.}	<b>3,228,800</b>	3,228,800
<b>Add: Forfeited Shares</b>	<b>3,228,800</b>	3,228,800
<b>Total</b>	<b>89,591,200</b>	89,591,200

The Company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

### The details of shareholders holding more than 5% shares ;

Name of the Shareholders	As at March 31, 2013		As at March 31, 2012	
	No. of shares	% held	No. of shares	% held
Al-Mashriq Exports Private Limited	2,228,800	25.81	2,228,800	25.81
Mrs. Kiran Qureshi	594,250	6.88	594,250	6.88
Equity Intelligence India Limited	577,449	6.69	557,693	6.46

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2013, the amount of per share dividend recognized as distributions to equity shareholders was Re 0.30 per share.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012. is set out below;

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	8,636,240	86,362,400	8,636,240	86,362,400
Add: Shares issued on exercise of employee stock options	0	0	0	0
Number of shares at the end	8,636,240	86,362,400	8,636,240	86,362,400

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>3. RESERVES AND SURPLUS</b>		
<b>A. Capital Reserve</b>		
As per Balance Sheet	3,228,800	3,228,800
<b>B. Revaluation Reserve</b>		
Opening Balances	1,526,735	1,555,541
Less : Amortization of Land	<u>28,806</u>	<u>28,806</u>
Closing Balance	<u>1,497,929</u>	<u>1,526,735</u>
<b>C. Securities Premium Account</b>	91,519,364	74,272,496
<b>D. General Reserve</b>	0	0
Opening Balances	447,273,191	471,343,518
Transferred from Statement of Profit & Loss	0	(21,059,150)
Proposed Dividend (F.Y 2011-12)	0	2,590,872
Tax on Dividend	0	420,305
Closing Balance	<u>447,273,191</u>	<u>468,752,646</u>
<b>Total</b>	<u>543,519,284</u>	<u>547,780,677</u>
<b>E. Profit/(Loss) for the Year</b>	15,600,958	(21,059,150)
Transferred to General Reserve	0	21,059,150
Proposed Dividend (F.Y 2012-13)	2,590,872	0
Tax on Dividend	420,305	0
Amount of Subsidiary Profit and Loss	751,035,344	690,851,174
Less: Minority Interest	<u>221,615,089</u>	<u>129,210,154</u>
<b>Total</b>	<u>542,010,036</u>	<u>561,641,020</u>
<b>Profit &amp; Loss Account</b>		
Closing Balance	<u>542,010,036</u>	<u>561,641,020</u>
<b>Total Profit</b>	<u>1,085,529,321</u>	<u>1,087,942,242</u>
<b>Minority Interest</b>		
Share in Capital of Subsidiary Company	133,916,700	62,000,700
Share in Reserve and Surplus of Subsidiary Company	221,615,089	129,210,154
Share in Security Premium	<u>7,219,532</u>	<u>0</u>
<b>Total</b>	<u>362,751,321</u>	<u>191,210,854</u>

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>4. LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
Term Loan from Jammu & Kashmir Bank	<b>310,576,733</b>	349,534,431
Term Loan from Punjab National Bank	<b>98,665,884</b>	135,666,672
Term Loan from Bank of India	<b>259,999,014</b>	0
<b>Others</b>		
India Bulls Financial Services Ltd.	<b>141,168,646</b>	0
<b>Deferred Payment Liabilities</b>		
<b>From Bank</b>		
Deferred Payment Liabilities against Hyp. of Vehicles	<b>0</b>	3,036,832
<b>From Others</b>		
Deferred Payment Liabilities against Hyp. of Vehicles	<b>13,319,882</b>	8,073,274
<b>Total</b>	<b>823,730,159</b>	496,311,209

1. From Jammu & Kashmir Bank, the Corporate Loan is secured against property at A-1, Phase - 1, Okhla Industrial Area, New Delhi - 110020, Personal Guarantee of Mr Sirajuddin Qureshi, Mrs Kiran Qureshi, Mr Samar Qureshi, Dr Naseem Qureshi, Corporate Guarantee of M/s Hind Agro Industries Ltd, Guarantee of M/s Islamuddin & Co M/s Hind Air Link Pvt Ltd and extended charge on property at 2A, A-Wing, Mittal Tower, Nariman Point, Mumbai of M/s Hind Air Link Pvt Ltd. The terms of payment is ₹ 77,19,000/- per month.

The above Term Loan of Jammu & Kashmir Bank is payable within the period of 7 years commencing from August 2011, repayment schedule is as under.

Financial Year	Amount
2012-13	6,045,868
2013-14	44,823,366
2014-19	310,576,733

**Term Loan from PNB** for ongoing project of the company at Chennai is secured by 1st pari-passu charge on its Current Assets and 2nd pari-passu charge on its Fixed Assets at Aligarh Plant and equitable mortgage on the property of M/s Al- Mashriq Exports Pvt. Ltd. and Personal Guarantees of Mr. Sirajuddin Qureshi and Mrs. Kiran Qureshi. An installment of ₹ 3083333/- per month is being paid towards repayment of loan. **The Term Loan from PNB** is payable within the period of 5 years commencing from 1st Nov. 2011 bearing rate of interest @ 15% p.a..

**Term Loan from BOI** for the purpose of Business Needs of the Company is secured by Equitable Mortgage of the immovable property at G-21, Maharani Bagh, Ring Road, New Delhi - 110065 which belongs to our Group Company M/s Al-Mashriq Exports Pvt. Ltd. & Personal Guarantees of Mr. Sirajuddin Qureshi, Mrs. Kiran Qureshi, Mr. Samar Qureshi and corporate guarantee of M/s Al-Mashriq Exports Pvt. Ltd. The Loan repayment is starting from 30th June, 2012 till the end of financial year 2015-2016, bearing rate of interest 13.75% p.a..

**Term Loan from Indiabulls Financial Services Ltd.** for the purpose of Business Needs of the Company, is secured by Equitable Mortgage of the immovable property at Khasra No. 42, Killa No. 9, (4-9), 10(4-9), 11/1 MIN (1-14) & 12 MIN North (1-12) Village Mehrauli, New Delhi - 110030 which is in the name of M/s S.R. Landcon Private Limited. The Loan repayment starts from 01.02.2013 till 01.12.2022 in 118 instalments of ₹ 2,338,938/- each, barring 1st instalment of ₹ 2,529,449/-, including interest @ 14% p.a.

Deferred Payment Liabilities are secured against hypothecation of Vehicles.

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

The scheduled maturity of the Long Term Borrowings is summarised as under:

### Borrowings Repayable

Particulars	As at 31st March, 2013			As at 31st March, 2012	
	Term Loan from Banks	Term Loan from Others	Deferred Payment Liabilities - (Bank & others)	Term Loan from Banks	Deferred payment Liabilities - (Bank & others)
In the first year (Note 7)	159,499,996	7,706,790	14,475,308	36,999,996	8,216,541
<b>Current Maturities of Long Term Debt</b>	<b>159,499,996</b>	<b>7,706,790</b>	<b>14,475,308</b>	<b>36,999,996</b>	<b>8,216,541</b>
In the second year	156,999,996	8,857,738	8,396,488	36,999,996	2,831,229
In the Third year	176,999,010	10,180,570	4,923,394	36,999,996	0
In the fourth year	24,665,892	11,700,957	0	36,999,996	0
In the fifth year	0	13,448,402	0	24,666,684	0
In sixth to tenth year	0	96,980,979	0	0	0
<b>Total</b>	<b>358,664,898</b>	<b>141,168,646</b>	<b>13,319,882</b>	<b>135,666,672</b>	<b>2,831,229</b>

Particulars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>5. OTHER LONG TERM PROVISION</b>		
Provision for Gratuity	33,918,958	30,907,278
Leave Encashment Payable	4,388,706	4,257,142
Provision for Cess U/S 441A	359,572	0
<b>Total</b>	<b>38,667,236</b>	<b>35,164,420</b>
<b>6. DEFERRED TAXES</b>		
Deferred Tax Liabilities Related to Fixed Assets	52,613,938	57,489,052
<b>Total</b>	<b>52,613,938</b>	<b>57,489,052</b>
<b>Deferred Tax Assets</b>		
Depreciation on Fixed Assets	18,836,192	16,291,972
Provision for Doubtful Debts.	3,666,994	3,114,720
Provision for Leave Encashment	1,831,522	1,785,218
Provision for Gratuity	12,695,436	11,687,288
Provision for Bonus	256,408	278,546
Provision for Cess U/S 441A	116,663	0
<b>Total</b>	<b>37,403,215</b>	<b>33,157,744</b>
<b>Net Deferred Tax Liabilities / (Assets)</b>	<b>15,210,722</b>	<b>24,331,308</b>
<b>Previous Year Balance</b>	<b>24,331,308</b>	<b>53,112,714</b>

Deferred Tax Assets and Deferred Tax Liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the Deferred Tax Assets and Deferred Tax Liabilities relate to income taxes levied by the same Taxation Authority.



## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>7. SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
Working Capital Loan from Banks	2,690,972,538	2,231,697,015
Term Loan from Jammu & Kashmir Bank	50,869,234	44,509,717
PNB Term Loan	36,999,996	36,999,996
BOI Term Loan	122,500,000	0
India Bulls Financial Services Ltd.	7,706,790	0
Deferred Payment Liabilities against Hyp. of Vehicles	277,300	2,079,135
<b>FROM OTHERS</b>		
Deferred Payment Liabilities against Hyp. of Vehicles	14,198,010	10,482,558
<b>UNSECURED</b>		
From Directors	0	88,300,000
<b>Total</b>	<b>2,923,523,868</b>	<b>2,414,068,421</b>

### Working Capital Loans :

State Bank of Hyderabad :

Primary Security : Secured against the current assets of the company including raw material, work in progress, finished goods and advance to suppliers existing and future (stocks at Sahibabad and other places) of ₹49.35 Crore. Our share ₹19.74 Crore (40%) valued as at 31st January 2013.

Equitable Mortgage of residential flat at 69, Cat III, 2nd and 3rd Floor and servant quarter No. 6, Siddartha Enclave, DDA, SFS Scheme, Ashram, New Delhi in the name of Mr. Sirajuddin Qureshi and fixed assets of the company (present & future) owned by M/s. Hind Industries Limited.

### Personal Guarantee of the following promoter directors ;

Sh. Sirajuddin Qureshi ₹8.68 crores as on 13.06.2012

Smt. Kiran Qureshi ₹5.36 crores as on 13.06.2012

### Indian Bank :

Primary :

Packing Credit: DPN by the company and 1st pari passu charge on the current assets of the company including raw material, work in progress, finished goods and advance to suppliers existing and future (stock at Sahibabad and other places). Entire book debts to be hypothecated to the consortium.

FBN/FBP/DP/DA 90 days : DPN by the company and documents of title to goods covered by foreign bills purchased / negotiated against firm contracts/drawn under irrevocable LCs of prime banks.

Cheque BP : DPN by the company and Agreement for bills purchased (for local/out station cheques).

Bank Guarantee : Counter Guarantee by the company. Pledge of fixed deposits equivalent to 10% (as margin) of guarantee amount.

Collateral : 2nd charge on the fixed assets of the company WDV ₹ 30.21 crore ( as per ABS as on 31.03.2011 including capital work in progress). (Our share 60% ₹18.13 crore). {Existing status (upgraded charges) prevailing after adjustment of liability of first charge holders to be continued}.

Equitable Mortgage of residential flat at 69, Cat III, 2nd and 3rd Floor and servant quarter No. 6, Siddartha Enclave, DDA, SFS Scheme, Ashram, New Delhi in the name of Mr. Sirajuddin Qureshi valued ₹1.80 crore as per valuation dt. 12.05.2011 of our panel valuer S.K.Jain (our share 60% ₹1.08 crores).

Pledge of fixed deposit of ₹0.93 crore as on (corpus fund equivalent to 5% of the sanctioned FBP/FBN limit for the consortium i.e ₹18.50 crore). Our share being ₹0.56 crore.

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Personal Guarantee of the following promoter directors ;

Sh. Sirajuddin Qureshi ₹8.00 crores as on 31.03.2011

Smt. Kiran Qureshi ₹4.90 crores as on 31.03.2011

### Term Loan from Jammu & Kashmir Bank.

Equitable mortgage of immovable property situated at A-1, Phase-I, Okhla Industrial Area, standing in the name of M/s Islamuddin & Co, one of the group Companies valued at ₹ 43.62 crores as per valuation report dated 18th June, 2011; Escrow of rentals of M/s Islamuddin & Co with retention balance of ₹ 20.00 lacs at any point of time together with FDR for ₹ 57.19 lacs to provide minimum cushion for one month's repayment.

Extention of charges on immovable property proposed in the Term Loan facility of group concern M/s Hind Airlink Pvt. Ltd consisting of office No. 2A on ground floor and office No. 2A in Basement, A Wing, Mittal Tower Premises Cooperative Society Limited, C.S. No. 1957, 210 Nariman Point Mumbai valued at ₹ 20.13 crores as per valuation report dated 15.06.2010 of M/s Basavraj Masanagi & Co.

Corporate Guarantee of M/s Hind Agro Industrial Limited having net worth of ₹ 93.08 crores.

Personal Guarantee of all three promotor directors of the borrower company namely:-

Mr. Sirajuddin Qureshi (NW ₹7.94 crores)

Mrs. Kiran Qureshi (NW ₹4.14 crores)

Dr. Naseem Qureshi (NW ₹2.43 crores)

Guarantee of the mortgator, M/s Islamuddin & Co., and M/s Hind Airlink Private Ltd.

**Working Capital Loans** under Consortium are secured against following securities:

- Facilities from PNB** are secured against hypothecation of current assets, foreign documentary bills, inward clearing cheques/DD and collateral security of the immovable property situated at Village Karanki, Sohna, Gurgaon in the name of M/s Al-Mashriq Exports Pvt. Ltd.
- Facilities from Central Bank of India** are secured against first pari-passu charge on the current assets of the company and collateral security of the immovable property situated at Village Karanki, Sohna, Gurgaon in the name of M/s Al-Mashriq Exports Pvt. Ltd., Personal Guarantees of directors and Corporate Guarantees of M/s Al-Mashriq Exports Pvt. Ltd., M/s Hind Industries Ltd. & M/s Integrated Live Stock Village Farm Pvt. Ltd.
- Facilities from Indian Bank** are secured against first pari-passu charge on the current assets of the company, document of title and collateral security of the 1st pari-passu charge on the Fixed Assets of the Company, pledge of 1,683,450 shares of M/s Hind Industries Ltd., pledge of Fixed Deposits and pari-passu charge with consortium on equitable mortgage of the immovable property situated at Village Karanki, Sohna, Gurgaon in the name of M/s Al-Mashriq Exports Pvt. Ltd. and Counter Guarantees by the Company.
- Facilities from Dena Bank** are secured against hypothecation of current assets, foreign documentary bills, advance under pre-shipment credit to be covered under Whole Turnover Packing Guarantee of ECGC, shipping documents and 100% counter guarantee by the company under its Common Seal.

Particulars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>8. TRADE PAYABLES</b>		
Trade Payables	195,662,189	326,859,242
Related Parties	51,785,715	1,788,745
<b>Total</b>	<b>247,447,904</b>	<b>328,647,987</b>

Outstanding amount under Related Parties is due to Holding Company i.e. M/s Hind Industries Ltd and Associate Companies i.e. M/s Fast Trax Foods Pvt. Ltd and M/s Integrated Live Stock Village Farm Pvt. Ltd. ( Refer Note No. 29)

Amounts 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.

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>9. OTHER CURRENT LIABILITIES</b>		
Salaries and Wages	9,426,160	7,681,611
Bonus and Incentives	790,283	858,517
TDS Payable	2,041,931	1,701,598
Employees PF & Others Payable	490,616	527,460
Director's Salary Payable	2,254,540	0
Advance Received from Customers	359,336,249	370,900,614
Expenses Payables	7,201,710	5,497,872
Advances Received as Security Money	4,921,904	1,671,904
Gratuity Obligation	5,210,140	5,114,568
Leave Encashment Payable	1,256,301	1,245,148
Audit Fees Payable	758,430	758,430
M. D. Commission Payable	255,602	0
Associated Company- Related Party	14,528,897	11,003,069
Bank (Over Draft)	33,890,064	22,760,517
Interest Accrued & Due	6,445,521	2,216,654
Interest Accrued but not due	236,708	0
Other Liabilities	2,531,553	0
Unpaid Dividends	1,576,234	1,455,324
<b>OTHERS PAYABLE</b>		
Statutory Dues	6,051,185	5,567,601
Payable for Chennai Plant	43,968,639	44,900,001
<b>Total</b>	<b>503,172,667</b>	<b>483,860,888</b>
<b>10. SHORT-TERM PROVISIONS</b>		
Provision for Dividend	2,590,872	2,590,872
Provision for Income Tax & Dividend Tax	50,601,900	23,866,612
Provision for Wealth Tax	234,502	37,787
<b>Total</b>	<b>53,427,274</b>	<b>26,495,271</b>

**Notes annexed to and forming part of the consolidated financial statements for the year ended on 31st March, 2013**
**11. Consolidated Fixed Assets As At 31st March, 2013**

Particulars	Gross Block				Depreciation			Net Block			
	As At 01.04.2012	Addition During The Year	Sales During The Year	Adjustments	Total As At 31.03.2013	Up To 31.03.2012	For The Year	Adjustment	Up To 31.03.2013	As At 31.03.2013	As At 31.03.2012
	Leasehold Land	3,105,460	0	0	0	3,105,460	910,934	41,406	0	952,340	2,153,120
Freehold Land	87,992,015	0	0	0	87,992,015	0	0	0	0	87,992,015	87,992,015
Factory Building	495,529,645	2,498,779	0	0	498,028,424	122,447,719	16,550,919	0	138,998,638	359,029,786	373,081,926
Plant & Machinery	1,744,884,297	7,586,744	0	0	1,752,471,041	910,299,182	82,978,592	0	993,277,774	759,193,267	834,585,115
Vehicles	55,568,380	12,480,336	0	0	68,048,716	26,443,756	4,671,920	0	31,115,676	36,933,040	29,124,624
Trucks	15,435,577	1,287,500	0	0	16,723,077	8,597,181	1,404,765	0	10,001,946	6,721,131	6,838,396
Furniture & Fixtures	50,691,357	622,871	0	0	51,314,228	23,140,509	3,132,391	0	26,272,900	25,041,328	27,550,848
Computers	15,250,167	259,792	0	0	15,509,959	11,108,531	1,334,760	0	12,443,291	3,066,668	4,141,636
Office Equipments	15,735,589	506,575	0	0	16,242,164	6,179,926	733,516	0	6,913,442	9,328,722	9,555,663
Electrical Equipments	17,995	0	0	0	17,995	17,995	0	0	17,995	0	0
<b>Total</b>	<b>2,484,210,482</b>	<b>25,242,597</b>	<b>0</b>	<b>0</b>	<b>2,509,453,079</b>	<b>1,109,145,733</b>	<b>110,848,268</b>	<b>0</b>	<b>1,219,994,001</b>	<b>1,289,459,077</b>	<b>1,375,064,750</b>
Capital Work In Progress	750,000	6,176,578	0	6,176,578	750,000	0	0	0	0	750,000	750,000
Previous Year	2,135,456,682	349,178,170	424,370	0	2,484,210,482	1,011,615,854	97,809,086	279,207	1,109,274,631	1,374,935,851	1,123,840,828

**B. INTANGIBLE ASSETS.**

Description	Gross Block				Depreciation			Net Block			
	As At 01.04.2012	Additions During The Year	Sales During The Year	Adjustments	Total As At 31.03.2013	Up To 31.03.2012	Amortization For The Year	Adjustment	Up To 31.03.2013	As At 31.03.2013	As At 31.03.2012
	Saiboni Project	2,262,338	0	0	0	2,262,338	226,234	226,234	0	452,468	1,809,870
Bhiwadi Project	6,618	0	0	0	6,618	662	662	0	1,324	5,294	5,956
Energy Project	2,596,221	0	0	0	2,596,221	259,622	259,622	0	519,244	2,076,977	2,336,599
<b>Total</b>	<b>4,865,177</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,865,177</b>	<b>486,518</b>	<b>486,518</b>	<b>0</b>	<b>973,036</b>	<b>3,892,141</b>	<b>4,378,659</b>
Previous Year	0	4,865,177	0	0	4,865,177	486,518	486,518	0	486,518	4,378,659	0

**Fixed Assets And Capital Work In Progress:**

Depreciation for the year includes amortization of land of ₹ 41,406 of which ₹ 28,806 is transferred from revaluation reserve and ₹ 12,600 is debited to Profit & Loss account.

The intangible assets are amortised over the estimated life of the assets.

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.

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.

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>12. Non-Current Investments</b>		
Long Term Investments - At Cost ( Unquoted )		
Investments in equity instruments of Subsidiary Company:		
M/s Hind Agro Industries Ltd.	0	0
No. of shares during the year 2012-13	31,991,600	
No. of shares during the year 2011-12	26,950,000	
<b>Total</b>	<b>0</b>	<b>0</b>
<b>13. Long Term Loans and Advances</b>		
Unsecured, Considered Good		
Advance for Share		
Less : Provision for Advance	5,000,000	5,000,000
<b>Security Deposits</b>		
Security Deposits with Government	20,706,420	19,282,898
Security Deposits with Others	86,650,503	109,761,773
Incentive / Refund Recoverable	23,126,025	28,935,782
MAT Credit Entitlement	26,414,616	45,087,322
Less Provision for Doubtful Debts	(1,702,184)	0
<b>Total</b>	<b>160,195,380</b>	<b>208,067,775</b>

Security Deposits with Others include Related parties M/s Al-Mashriq Exports Pvt. Ltd. and M/s Hind Bio-Pharmaceuticals Ltd.

### CURRENT ASSETS

#### 14. INVENTORIES

Finished Goods	1,377,250,754	1,405,279,204
Stores & Spares	37,334,712	37,723,608
Fuel	1,586,611	566,292
Packing Material	3,980,598	5,181,752
<b>Total</b>	<b>1,420,152,675</b>	<b>1,448,750,856</b>

Raw material, consumables and packing materials are valued at cost on FIFO basis.

Finished and Semi Finished goods are valued at lower of cost or net realisable value. The Duty Drawback benefits are reduced from the cost for the purpose of valuation of closing stock.

By-products are valued at net realisable value.

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>15. TRADE RECEIVABLES</b>		
Unsecured, Considered good		
Debts outstanding for a period exceeding six months	<b>166,589,018</b>	61,153,757
Others Receivable	<b>1,917,151,695</b>	1,366,692,202
Over Six Months - Considered Doubtful	<b>4,000,000</b>	4,000,000
	<b>2,087,740,713</b>	1,431,845,959
Less : Provision for Doubtful Debts.	<b>4,000,000</b>	4,000,000
<b>Total</b>	<b>2,083,740,713</b>	<b>1,427,845,959</b>

Balance under Trade Receivable are subject to confirmation and reconciliation and consequent adjustments thereof.  
Provision for Doubtful Debts.

Periodically, the Company evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could affect the customer's ability to settle. The Company normally provides for trade receivable outstanding for six months or longer from the invoice date, as at the Balance Sheet date. The Company pursues the recovery of the dues, in part or full.

### 16. CASH AND CASH EQUIVALENTS

Cash In hand	<b>1,063,525</b>	1,363,101
Cheques In hand	<b>318,598</b>	1,647,257
<b>Balances with Banks</b>		
In Current and Deposit Accounts	<b>115,510,370</b>	11,848,305
In EEFC Accounts	<b>113,170</b>	934,577
Balances with Banks in Unpaid Dividend Accounts	<b>1,575,554</b>	1,455,209
Balances with Banks held as margin money deposits	<b>131,293,347</b>	121,103,155
<b>Total</b>	<b>249,874,564</b>	<b>138,351,604</b>

Cash and cash equivalents as of March 31, 2013 and March 31, 2012, include restricted cash and bank balances of ₹ 236.45 lacs and ₹ 236.76 lacs respectively. The restrictions are primarily on account of lien on margin money / FDR's in lieu of ECGC policies and unclaimed dividends.

### 17. SHORT-TERM LOANS AND ADVANCES UNSECURED AND CONSIDERED GOOD

Related Companies ( Refer note 29A )	<b>16,216,028</b>	26,067,960
Advance to Suppliers	<b>860,318,755</b>	484,501,448
Loans and Advances to Employees	<b>1,698,425</b>	3,398,217
Export Incentive	<b>20,457,070</b>	34,638,816
Prepaid Expenses	<b>1,383,642</b>	977,758
<b>Total</b>	<b>900,073,920</b>	<b>549,584,199</b>

The current assets , loan and advances are realizable at the value stated in the Balance Sheet in the ordinary course of business.

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>18. REVENUE FROM OPERATIONS</b>		
Sales - Export	5,942,590,572	7,246,186,631
Sales - Domestic	<u>2,765,336,980</u>	<u>1,191,150,248</u>
	<u>8,707,927,552</u>	<u>8,437,336,879</u>
Less : Excise Duty	<u>178,590</u>	<u>118,549</u>
<b>Total</b>	<u><u>8,707,748,962</u></u>	<u><u>8,437,218,330</u></u>
<b>19. OTHER INCOME</b>		
Licence - DEPB	204,228	0
Interest Received on Deposits with Banks	9,560,400	8,968,810
Export Incentives	107,110,737	74,533,217
Profit on Sale of Fixed Assets.	0	34,837
Interest on Securities	115,000	0
Professional Income	2,447,490	5,033,090
IFCI Liability Written Back	0	7,925,388
Miscellaneous Income	<u>103,565</u>	<u>1,289,487</u>
<b>Total</b>	<u><u>119,541,420</u></u>	<u><u>97,784,829</u></u>
<b>20. MANUFACTURING EXPENSES</b>		
Wages & Workers's Welfare	54,860,034	53,122,178
Packing Material Consumed	77,419,735	105,344,320
Power and Fuel Consumption	199,651,684	221,362,958
Consumable Stores	25,317,440	24,385,396
Repair & Maintenance	34,651,402	32,478,073
Insurance	1,257,834	1,384,849
Inward Freight / Cartage	773,678	886,869
Inspection Charges	4,480,397	6,836,575
Truck Running & Maintenance	411,891	981,181
Security Charges	4,170,010	4,215,690
Horticulture Expenses	727,716	525,974
Research & Development Expenses	2,486,357	3,216,933
Cess Water & UPCCB	310,000	306,010
Others	<u>2,197,189</u>	<u>5,526,997</u>
<b>Total</b>	<u><u>408,715,367</u></u>	<u><u>460,574,003</u></u>

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	AS AT	AS AT
	31.03.2013	31.03.2012
	₹	₹
<b>21. PERSONNEL EXPENDITURE</b>		
Salaries, Bonus and Other Benefits	<b>49,395,598</b>	49,761,223
Contribution to Provident and Other Funds	<b>3,944,262</b>	4,043,193
Staff Welfare Expenses	<b>630,047</b>	645,247
<b>Total</b>	<b><u>53,969,907</u></b>	<u>54,449,663</u>

**EMPLOYEE BENEFITS:**

**Defined Benefit Plan:** The company provides for its liability towards gratuity as per the actuarial valuation.

**FINANCIAL ASSUMPTION:**

- Discount Rate:** The rate used to discount post employment benefit obligations ( both funded and unfunded ) has been determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post employment benefit obligations.
- Salary Increase:** Salary increase is taken in to account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- Rate of Return on Plan Assets:** The liability is not funded and rate of return on plan assets is not relevant to this report.

**TABLE SHOWING CHANGES IN PRESENT VALUE OF OBLIGATIONS DURING THE PERIOD**

Present Value of Obligation as at the beginning of the period	<b>5,502,289</b>	4,553,498
Acquisition Adjustment	<b>0</b>	0
Interest Cost	<b>475,259</b>	371,524
Past Service Cost	<b>0</b>	0
Current Service Cost	<b>732,561</b>	647,172
Curtailment Cost/(Credit)	<b>0</b>	0
Settlement Cost/(Credit )	<b>0</b>	0
Benefit Paid	<b>(780,089)</b>	(1,193,767)
Actuarial (Gain)/Loss on obligations	<b>(285,013)</b>	1,123,862
Present Value of Obligation as at the end of the period	<b>5,645,007</b>	5,502,289

**TABLE SHOWING CHANGES IN THE FAIR VALUE OF PLAN ASSETS DURING THE PERIOD**

Fair Value of Plan Assets at the beginning of the period	<b>0</b>	0
Acquisition Adjustment	<b>0</b>	0
Expected Return on Plan Assets	<b>0</b>	0
Contributions	<b>0</b>	0
Benefit Paid	<b>0</b>	0
Actuarial (Gain)/Loss on Plan Assets	<b>0</b>	0
Fair Value of Plan Assets at the end of the period	<b>0</b>	0



## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>TABLE SHOWING FAIR VALUE OF PLAN ASSETS</b>		
Fair Value of Plan Assets at the beginning of the period	0	0
Acquisition Adjustment	0	0
Actual Return on Plan Assets	0	0
Contributions	0	0
Benefit Paid	0	0
Fair Value of Plan Assets at the end of the period	0	0
Funded Status	(5,645,007)	(5,502,289)
Excess of Actual over Expected Return on Plan Assets	0	0
<b>ACTUARIAL GAIN / LOSS RECOGNIZED FOR THE PERIOD</b>		
Actuarial (Gain) / Loss for the Period - Obligation	285,013	(1,123,862)
Actuarial (Gain) / Loss for the Period - Plan Assets	0	0
Total (Gain) / Loss for the Period	(285,013)	1,123,862
Actuarial (Gain) / Loss recognized in the period	(285,013)	1,123,862
Unrecognized Actuarial (gains) / Losses at the end of Period	0	0
<b>THE AMOUNT TO BE RECOGNIZED IN THE BALANCE SHEET AND STATEMENTS OF PROFIT AND LOSS.</b>		
Present Value of Obligation as at the end of the period	5,645,007	5,502,289
Fair Value of Plan Assets at the end of the period	0	0
Funded Status	(5,645,007)	(5,502,289)
Unrecognized Actuarial (Gains) / Losses	0	0
Net Liability Recognized in Balance Sheet	5,645,007	5,502,289
<b>EXPENSES RECOGNIZED IN THE STATEMENTS OF PROFIT AND LOSS FOR THE PERIOD</b>		
Current Service Cost	732,561	647,172
Past Service Cost	0	0
Interest Cost	475,259	371,524
Expected Return on Plan Assets	0	0
Curtailement Cost / (Credit)	0	0
Settlement Cost / (Credit)	0	0
Net Actuarial (Gain) / Loss recognized in the period	(285,013)	1,123,862
Expenses Recognized in the Statement of Profit and Loss	922,807	2,142,558
<b>AMOUNT FOR THE CURRENT PERIOD</b>		
Present Value of Obligation	5,645,007	5,502,289
Plan Assets	0	0
Surplus / (Deficit)	(5,645,007)	(5,502,289)
Experience Adjustments on Plan Liabilities (Loss) / Gain	446,192	(1,261,219)
Experience Adjustments on Plan Assets (Loss) / Gain	0	0
<b>22. FINANCIAL COSTS</b>		
Interest on Term Loans	138,995,598	46,439,752
Interest on Working Capital and Other Bank Interest and Charges	388,905,673	305,805,642
<b>Total</b>	<b>527,901,271</b>	<b>352,245,394</b>

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
<b>23. LOGISTIC AND OTHER SELLING &amp; DISTRIBUTION EXPENSES</b>		
Freight and Forwarding Expenses	450,442,568	531,447,308
Business Promotion Expenses	17,249,939	12,811,487
Commission	8,225,488	19,689,976
<b>Total</b>	<b>475,917,995</b>	<b>563,948,771</b>
<b>24. ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	35,589,463	29,047,847
Vehicle Running & Maintenance	4,354,425	4,305,003
Electricity Expenses	2,961,070	2,211,789
Travelling & Conveyance	16,896,171	18,335,622
Rates, Taxes , Subscription and Fees	7,420,747	11,104,933
Security Service Charges	1,580,936	938,254
Printing & Stationery	3,434,576	4,520,015
Audit Fee	1,497,440	1,497,440
Certification Charges	196,632	182,846
Legal & Professional Charges	26,665,436	6,664,991
Repair & Maintenance Office	4,048,915	3,134,697
Insurance Expenses	2,846,871	3,307,756
Postage Expenses	390,211	223,240
Telephone Expenses	4,033,948	4,958,454
Doubtful Debts.	1,702,184	0
Misc. Expenses	11,188,738	3,125,767
<b>Total</b>	<b>124,807,763</b>	<b>93,558,654</b>
<b>25. EXTRA ORDINARY ITEMS WRITTEN OFF</b>	<b>0</b>	<b>66,004,197</b>
<b>Total</b>	<b>0</b>	<b>66,004,197</b>
Payment to Auditors :		
Statutory Audit Fees	617,980	617,980
Tax Audit Fees	140,450	140,450
Certification Charges	196,632	161,956
<b>Total</b>	<b>955,062</b>	<b>920,386</b>

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

- 26** Hind Industries Limited (hereinafter referred to as 'the Holding Company') holds 70.49% 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.
- 27** In Holding Company, the corporate loan of ₹ 3105.77 lacs from Jammu & Kashmir Bank is secured against property at A-1, Phase -1, Okhla Industrial Area, New Delhi 110 020, Personal Guarantee of Mr. Sirajuddin Qureshi, Mrs. Kiran Qureshi, Mr. Samar Qureshi, Dr. Naseem Qureshi, Corporate Guarantee of M/s Hind Agro Industries Ltd, Guarantee of M/s Islamuddin & Co. and M/s Hind Air Link Pvt Ltd and extended charge on property at 2A, A-Wing, Mittal Tower, Nariman Point, Mumbai of M/s Hind Air Link Pvt Ltd .
- 28** The current assets, loans and advances are realisable at the value stated in the balance sheet, in the ordinary course of business.
- 29** Balance under trade payable, trade receivable, loan and advances are subject to confirmation and reconciliation and consequent adjustments thereof.
- 30** The company has given on loan its finished goods inventory at various intervals to its subsidiary company which is subsequently received in due course. In the opinion of the management, the above practice is adopted to have better realisation as per the practice prevailing in the industry.
- 31** Detailed accounting policies and Notes on Accounts of the Holding and Subsidiary Company are set out in their respective financial statements.
- 32** 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.
- 33** Expenditure incurred on Salboni Project and Energy Project has been amortised as Intangible Assets and are being amortised accordingly over the period of 10 years.

### 34. RELATED PARTY DISCLOSURES

Sr. No.	Name of the related party	Nature of relationship	Nature Of Transaction	Debit ₹ in Lac	Credit ₹ in Lac	Balance Amount as on 31.03.2013 (₹ in Lacs)
1.	Al-Mashriq Exports (P) Ltd.	i) Company in which KMP* are interested.	i) Business Transactions	10.29	NIL	Debit 10.29
		ii) Company in which Directors are interested.	ii) Business Transactions	79.10	428.04	Debit 339.08
2.	Eatcco Foods (P) Ltd.	i) Company in which KMP* are interested.	i) Business Transactions	NIL	NIL	NIL
		ii) Company in which Directors are interested.	ii) Business Transactions	0.05	0.05	NIL
3.	Islamuddin & Company	i) Firm in which KMP* are interested.	i) Rent	35.98	26.97	Debit 7.02
		ii) Firm in which MD is Partner.	ii) Rent	52.96	53.93	Debit 0.88
4.	Hind Air Link (P) Ltd	i) Company in which KMP* are interested.	Business Transactions	25.70	2.86	Credit 2.14
		ii) Company in which Directors are interested.	Business Transactions	97.54	97.40	Credit 84.75
5.	Hind Air Star (P) Ltd	i) Company in which KMP* are interested.	Business Transactions	70.00	70.00	NIL
		ii) Company in which Directors are interested..	Business Transactions	215.78	263.00	Debit 24.54

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Sr. No.	Name of the related party	Nature of relationship	Nature Of Transaction	Debit ₹ in Lac	Credit ₹ in Lac	Balance Amount as on 31.03.2013 (₹ in Lacs)
6.	Hind Air Services (P) Ltd	i) Company in which KMP* are interested. ii) Company in which Directors are interested.	Business Transactions Business Transactions	NIL 0.01	NIL NIL	NIL Debit 13.31
7.	Fast Trax Food (P) Ltd	i) Company in which KMP* are interested. iii) Company in which Directors are interested.	i) Business Transactions ii) Business Transactions	7.00 608.45	7.00 632.35	NIL Credit 23.10
8.	Prime Packaging	Firm in which Directors are interested.	Supply of Packing Material.	122.25	112.59	Debit 16.40
9.	Samar Travels & Cargo (P) Ltd	i) Company in which KMP* are interested. iii) Company in which Directors are interested.	i) Business Transactions ii) Business Transactions	NIL 22.86	NIL 25.00	NIL Debit 58.54
10.	Hind Bio-Pharmaceuticals Ltd.	Company in which Directors are interested	Business Transactions	0.02	0.02	Debit 70.00
11.	Integrated Livestock Village Farm (P) Ltd.	i) Company in which KMP* are interested. iii) Company in which Directors are interested.	i) Business Transactions ii) Business Transactions	1542.93 9940.80	1540.20 10417.13	Debit 2.72 Credit 489.50
12.	Aliffa Agro (India) (P) Ltd.	Firm in which KMP* are interested.	Business Transactions	NIL	NIL	NIL
13.	Hind Live Stock Development Foundation	Society in which Directors are interested	Business Transactions	NIL	NIL	Debit 0.66
14.	Hind Infra Engineers Ltd.	Company in which Directors are interested	Business Transactions	33.65	21.23	Debit 32.29
15.	Shri Sirajuddin Qureshi	i) KMP* ii) KMP*	i) Remuneration ii) Rent	35.05 12.26	57.60 21.60	Credit 18.25 Credit 9.34
16.	Mrs. Kiran Qureshi	i) Relative of KMP* ii) Relative of KMP*	i) Rent ii) Rent	1.20 27.54	12.00 32.40	Credit 10.80 Credit 4.86
17.	Dr. S.K. Ranjhan	Director	Consultancy	4.08	4.08	NIL
18.	Dr. Naseem Qureshi	KMP*	Remuneration	1.69	9.40	Credit 7.71
19.	Mr. Samar Qureshi	KMP*	Remuneration	34.45	37.72	Credit 3.27
20.	Mr. Anil Vanjani	KMP*	Remuneration	10.31	10.31	NIL
21.	Mr. R. K. Goel	KMP*	Remuneration	20.77	20.77	NIL

\*KMP = Key Management Personnel

### 35 EARNING PER SHARE

Particulars	For the year ended 2012-2013 ₹	For the year ended 2011-2012 ₹
Consolidated Profit after Tax	<b>757.85 lacs</b>	593.38 lacs
Less : Minority Interest	<b>177.59 lacs</b>	150.37 lacs
Balance Profit	<b>580.26 lacs</b>	443.01 lacs
Weighted No. of Shares	<b>8636240</b>	8636240
Consolidated Basic and Diluted Earning per share	<b>6.72</b>	5.13

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Particulars	2012-13 (₹ in lacs)	2011-12 (₹ in lacs)
<b>36 CONTINGENT LIABILITIES</b>		
i) Claims against the Company not acknowledged as Debt:	0	0
ii) Guarantees and other contingencies		
a) Given to others	78.18	98.18
b) Given to Associate Company	2610.00	1050.00
c) Counter Guarantees executed by Bank	291.51	288.51

### 37 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-17 (AS-17) "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

### 38 Amounts 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.

### 39 DETAILS OF PURCHASES, SALES AND CLOSING STOCK FOR THE YEAR ENDED 31<sup>ST</sup>MARCH, 2013

Particulars	Opening Stock (MT)	Production (MT)	Sales (MT)	Value (₹)	Closing Stock (MT)	Value (₹)
Fresh	Nil (Nil)	1,114.190 (2,000.300)	1,114.190 (2,000.300)	394,535,894 (601,117,700)	Nil (Nil)	Nil (Nil)
Frozen	10,258.604 (10,522.134)	30,779.180 (44,501.321)	32,602.330 (44,764.821)	5,489,415,148 (6,642,831,821)	8,435.454 (10,258.604)	1,369,882,044 (1,402,521,040)

(Previous year figures are shown in brackets)

### 40 DETAILS OF RAW MATERIAL CONSUMED

Particulars	2012-13		2011-12	
Items	Qty. ( M.T.)	Value (₹)	Qty. (MT)	Value (₹)
Fresh	1,256.487	259,082,723	2,130.293	409,627,450
Frozen	38,243.567	4,202,294,450	55,934.877	5,744,141,236

Particulars	2012-13 (₹ In lacs)	2011-12 (₹ In lacs)
<b>41 EXPENDITURE IN FOREIGN CURRENCY</b>		
Travelling	67.48	67.35
Commission	118.64	188.69
Advertisement and Exhibition	57.61	18.35
<b>42 VALUE OF IMPORTS</b>		
Value of Imports(CIF Value)	27.29	26.85
<b>43 EARNINGS IN FOREIGN CURRENCY</b>		
FOB Value of Export Goods	56,665.96	69,608.63

**44** The Ministry of Corporate Affairs, Government of India, vide General Circular no 2 and 3, dated 8<sup>th</sup> February, 2011 and 21<sup>st</sup> February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies

## Notes forming part of the consolidated financial statements for the year ended on 31st March, 2013

Act, 1956, subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

- 45 The company shall make available the separate financial statements of the subsidiary to the shareholders of holding and subsidiary company whenever required at any point of time.

Disclosure as required u/s 212 of the Companies Act, 1956 :

### PARTICULARS WITH REGARD TO SUBSIDIARY COMPANY

Name of Subsidiary : Hind Agro Industries Limited  
Country of Incorporation : India  
Registered Address : Central Dairy Farm Complex, Anupshahr Road, Aligarh, (U.P.) - 202 122

Particulars	(Amount in ₹)	
	2012-13	2011-12
1) Share Capital	453,832,700	331,500,700
2) Reserves	775,501,744	690,851,174
3) Total Assets	4,908,775,409	3,978,672,506
4) Total Liabilities	3,679,440,965	2,956,320,632
5) Investment Details	NIL	NIL
6) Turnover	7,191,432,742	7,035,129,336
7) Profit Before Tax	93,696,086	94,323,359
8) Provision for Taxes	37,421,322	18,392,633
9) Proposed Dividend	NIL	NIL

46. During the current year, figures of the Subsidiary Company have been rearranged, regrouped to make them comparable with the figures of the Holding Company.
47. 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

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

Place : New Delhi  
Date : 30.05.2013

**DR. NASEEM QURESHI**  
Director

**M. S. MALIK**  
Company Secretary

### As per our report of even date attached For & on behalf of

**M. K. AGGARWAL & CO.**  
Chartered Accountants  
FRN - 01411N

**C. A. (M. K. AGGARWAL)**  
Partner  
Membership No. 014956



# Hind Industries Limited

Registered Office: A-1, Phase-I, Okhla Industrial Area, 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 40th ANNUAL GENERAL MEETING of the Company held on Thursday, the 26th day of September, 2013, at 9.30 A.M. at A-81, Bipin Chandra Pal Memorial Bhavan, Chittaranjan Park, New Delhi-110 019 and any adjournment thereof.

**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, Phase-I, Okhla Industrial Area, 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 40th Annual General Meeting to be held on Thursday the 26th day of September, 2013 at, 9.30 A.M. at A-81, Bipin Chandra Pal Memorial Bhavan, 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 reach 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, Phase-I, Okhla Industrial Area, New Delhi-110 020