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HIND INDUSTRIES LIMITED
32nd Annual Report 2004-2005

HIND INDUSTRIES LTD.**BOARD OF DIRECTORS****Chairman & Managing Director**

Mr. Sirajuddin Qureshi

Nominee Director-IFCI Limited

Mr. Rakesh Kapoor

Directors

Mrs. Kiran Qureshi

Mr. B. B. Gupta

Mr. B. B. Huria

Dr. S. K. Ranjhan

Dr. Naseem Qureshi

DEPUTY GENERAL MANAGER (F & A)

Mr. Sanjay Mittal

MANAGER (F & A)

Mr. Mohd. Ali Shaukat

COMPANY SECRETARY

Mr. Kashif Shamim

BANKERS

Indian Bank

State Bank of Hyderabad

AUDITORS

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

Chartered Accountants

REGISTERED OFFICE

A-1, Phase-I,

Okhla Industrial Area,

New Delhi - 110 020 (India)

Phone: 011-26372786 (7 Lines)

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B-42, Site IV, Industrial Area,

Sahibabad, Distt. Ghaziabad (U.P.) (India)

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HIND INDUSTRIES LTD.**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 32ND ANNUAL GENERAL MEETING OF THE MEMBERS OF HIND INDUSTRIES LIMITED WILL BE HELD AT 9.30 A.M. ON FRIDAY, 30TH SEPTEMBER, 2005, AT SEBLE HALL, MAIN MATHURA ROAD, BADARPUR, NEW DELHI- 110 044, TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005, and the Profit & Loss Account of the Company for the year ended on that date together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mrs. Kiran Qureshi, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. B. B. Gupta, who retires by rotation and being eligible, offers himself for reappointment.
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 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed and subject to the approval of Govt. of India (G.O.I.), Financial Institutions (FI's), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to issue/offer equity shares, preference shares, convertible debentures (fully or partly), non-convertible debentures, all or any of the aforesaid with or without detachable or Non-detachable warrants and/or warrants of any nature and/or secured premium notes, and/or floating rate notes/bond, and/or any other financial

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

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

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

Resolved further that the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director of the Company,

HIND INDUSTRIES LTD.

to give effect to the aforesaid resolution.”

**BY ORDER OF THE BOARD
For HIND INDUSTRIES LTD.**

**Place: NEW DELHI
Date: 3rd SEPTEMBER, 2005**

**KASHIF SHAMIM
COMPANY SECRETARY**

Registered Office:

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS ATTACHED HERewith.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 21st September 2005 to Thursday, 29th September 2005 (both days inclusive).
3. Members are requested to intimate to the Company changes, if any, in their registered addresses along with Pin Code Number.
4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
5. As a measure of economy, distribution of copies of the Report at the Annual General Meeting shall not be made. Members are requested to bring their copies of the Report to the meeting.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
7. Shareholders seeking any information with regard to accounts are requested to write to the company well in advance so as to reach the company atleast 7 days prior to the annual general meeting and to enable the management to keep information ready at the AGM.

EXPLANATORY STATEMENT

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

ITEM NO. 5

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever the subscribed capital of the Company is proposed to be increased by 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, approval of the members is required by way of a Special Resolution.

The Company may consider restructuring its long-term liabilities by issue of additional securities. The Authorized Share Capital of the Company, at present, is Rs.16 Crores (Rupees Sixteen Crores only). 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 be considered to be interested and/or concerned in passing of the said resolution, except to the extent of her/his Shareholdings in the Company.

**BY ORDER OF THE BOARD
For HIND INDUSTRIES LTD.**

**Place: NEW DELHI
Date: 3rd SEPTEMBER, 2005**

**KASHIF SHAMIM
COMPANY SECRETARY**

Registered Office:

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

HIND INDUSTRIES LTD.**INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT**

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/reappointed, are given below:

Name	Mrs. Kiran Qureshi
Age	55 Years
Qualification	A Bachelor's Degree in Arts from Delhi University, India. A Bachelor's Degree in Law from Delhi University, India.
Expertise	More than a decade of rich experience in various areas of Industry. She is a widely travelled person and has got a wide exposure of the different aspects of the Export Business. She is one of the core promoter Directors of Hind Industries Limited and its Subsidiary Company M/s Hind Agro Industries Limited.
Other Directorships	Hind Agro Industries Ltd. Hind Builders Ltd.

Name	Mr. B. B. Gupta
Age	58 Years
Qualification	A Bachelor's Degree in Arts from Delhi University, India. A Bachelor's Degree in Law from Delhi University, India.
Expertise	Mr. B. B. Gupta is engaged in his practice of advocacy since 1973. He regularly appears before the Supreme Court, High Court & District Court and also assessed to Income Tax. He has 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 member on the different committees of the Directors of the company.
Other Directorships	Nil

HIND INDUSTRIES LTD.**DIRECTORS' REPORT****Dear Members,**

Your Directors have pleasure in presenting the Thirty Second Annual Report on the business and operations of your Company and the Audited Annual Accounts of the Company for the year ended 31st March, 2005.

Financial Results:

The Financial Highlights of the Company for the year ended March 31, 2005 are as under:

	(Rs. In Lacs)	
Particulars	2004-05	2003-04
Sales	9672.41	7427.22
Other Income	36.76	6.45
Profit before Depreciation,		
Interest and Tax {PBDIT}	788.57	598.33
Profit/(Loss) before Taxes {PBT}	170.52	139.77
Profit/(Loss) after Taxes {PAT}	478.37*	97.32
Surplus/(Deficit) of Previous Year	(275.07)	(372.39)
Transfer to General Reserve	-	-
Surplus/(Loss) Carried to B/Sheet	203.29	(275.07)

* In the financial year 2004-05, Profit after tax (PAT) is more than Profit before tax (PBT) due to the deferred taxes revenues of Rs. 308.60 Lacs.

Performance:

The performance of the Company during the period under review was satisfactory. During the Current Year (i.e. 2004-05), the Company recorded a sales turnover of Rs.96.72 Crores against Rs.74.27 Crores in the Previous Year (i.e. 2003-04), i.e. up by 30% over the Previous Year. The Net Profit of the Company is also increased in the current year 2004-05. It is Rs. 4.78 Crores as compared to the Net Profit of Rs. 0.97 Crores in the Year 2003-04. Your Company has been able to achieve the incremental export sales by augmenting its buyers base through tapping new overseas market. Your Directors are pleased to inform you that the Company had made a proposal for One Time Settlement (OTS)/Debt Restructuring to IFCI Ltd. (IFCI) for its outstanding dues & IFCI vide its letter no. DRO/HIL/605/2005/44962, dated 21.06.2005 has agreed to the Negotiated Settlement of Dues outstanding as on 31.03.2005 towards the full and final settlement for Rs. 27.62 Crores at an interest rate of 12.5% to be payable in 20 quarterly installments starting from 30th June, 2005. With this crystallization of debt, the Company can now concentrate on its core activities and it hopes to achieve a substantial increase in its turnover, so that the servicing of this debt, barring unforeseen circumstances, can be made satisfactorily.

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.

HIND AGRO INDUSTRIES LIMITED (Subsidiary Company):

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.), has also turned around by achieving Total Sales Turnover & Other Income of Rs. 338.43 Crores and Profit after taxes (PAT) of Rs. 2.48 Crores during the year 2004-2005, as compared to the Total Sales Turnover & Other Income of Rs. 292.28 Crores and the Profit after taxes (PAT) of Rs. 0.94 Crores in the previous year 2003-04. A copy of the Directors' Report, Auditors' Report, Balance Sheet and Profit & Loss A/c of the Subsidiary Company for the financial year ended 31st March, 2005 are attached herewith for your perusal.

Dividend:

In view of the further growth and expansion of business of your Company, the Board of Directors have taken a view that it will be in the larger interest of the Company to retain and plough back the profits for the purpose of business growth. Hence, no dividend is being recommended for the Financial Year ended on 31st March, 2005.

Current year's outlook:

The Company is expected to further improve and consolidate its operations in the ongoing financial year i.e. 2005-06 by reducing its financial costs, increase in volumes, monitoring and controlling a better mix of its products and markets towards achieving the better bottom lines. These enhanced volumes and the resultant profits will help the Company not only to serve the debts properly, but also increase the shareholders' wealth.

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.

Listing Agreement Compliance:

The securities of the Company are listed with the Stock Exchange, Mumbai only. The Calcutta Stock Exchange Association Limited is yet to formally convey its approval for de-listing the shares of the Company, as earlier resolved by the Company. The Company has been complying with the Listing Agreement and has already made the payment of listing fees to the Stock Exchange, Mumbai.

Corporate Governance:

The Company has been observing and implementing the principles and practices of Corporate Governance. A separate section on Corporate Governance and Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with Stock Exchange, forms part of this Annual Report. Members will be pleased to know that there are no pending complaints of the investors to be redressed by the Company.

HIND INDUSTRIES LTD.**Insurance:**

The Company has already 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 the Articles of Association of the Company, Mrs. Kiran Qureshi and Mr. B. B. Gupta, Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for reappointment.

The Board recommends for the respective reappointments of Mrs. Kiran Qureshi and Mr. B. B. Gupta, Directors of the Company.

Auditors:

Our Statutory Auditors M/s M. K. Aggarwal & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to continue in office, if re-appointed. A certificate under section 224 (1B) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

Auditors' Report:

The observations of the Auditors in the Auditors' Report on the Annual Accounts for the Year 2004-05, are explained and clarified as under:

-Explanation to Point No. 4 of the Auditors' Report and Point No. 3.9 of the Notes forming part of accounts to the Auditors' Report:

Financial Institution vide letter dated 21st June, 2005 has agreed for negotiated settlement of dues at total amount of Rs. 2762.00 lacs of debt owed by the Company which is applicable w.e.f. 1st April, 2005 and interest as applicable for the year ended has been provided as applicable. Final accounting adjustments will be carried out only upon final completion of terms & conditions specified as per re-negotiated settlement terms

-Explanation to Point No. 5 of the Auditors' Report and Point No. 3.7 of the Notes forming part of accounts to the Auditors' Report:

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

-Explanation to Point No. 6 of the Auditors' Report and Point No. 3.10 of the Notes forming part of accounts to the Auditors' Report:

The Management is of the view that there is no impairment of assets at the year end.

Particulars of Employees:

There was no employee throughout the Financial Year drawing a remuneration in aggregate of Rs. 24,00,000/- or more per annum or employed for part of the year, drawn a remuneration of Rs. 2,00,000/- per month or more and therefore no particulars

of employees under section 217 (2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, are required to be given.

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, 2005, 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, 2005, 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 put on record their appreciation for the co-operation and support extended by the Central Government, State Government, Financial Institutions, Bankers, and Shareholders of the company. Your Directors also express their gratitude for the dedicated and sincere services rendered by the employees at all the levels.

FOR AND ON BEHALF OF THE BOARD

PLACE : NEW DELHI
DATE : 3rd SEPTEMBER, 2005

SIRAJUDDIN QURESHI
CHAIRMAN & MANAGING DIRECTOR

HIND INDUSTRIES LTD.**ANNEXURE TO THE DIRECTORS' REPORT**

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

A) CONSERVATION OF ENERGY:

The Company has always been conscious about the need for conservation of energy. Energy saving is one of the factor for the economic growth of the country, so it remained an area of high priority for the Company too. Your Company constantly evaluates new technologies and invests to make its infrastructure more energy-efficient.

Energy conservation Measures Taken:**a) Energy conservation measures during the financial year:**

- (i) Regular verifications and inspections have been carried out by the Company for the efficient functioning of the condensate return system.
- (ii) The Company is continuously making its efforts to timely detect and rectify any steam/water leakage.
- (iii) The Company has been organizing various meetings, lectures and demonstrations to acquaint and train the workers and operators for keeping an efficient functioning and maintenance of the refrigeration and other delicate equipments of the Company.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- (i) The Company is continuously making efforts for the reduction of consumption of energy. Earlier, the Company is having separate Gen Sets, but now it has made arrangements for the Gen Sets, which are connected to the panels and made them fully synchronized, thereby saving fuel and also increase the efficiency of the Gen Sets.
- (ii) The Company has implemented a proper system through which regular overhauling and timely replacement of inefficient equipments have been carried out and thereby, reduction in the consumption of energy.
- (iii) The Company has installed equipments of optimum size and capacity in order to prevent the misuse / wastage of power & energy and also monitor the same on routine basis.

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

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

d) Total energy consumption:**Power and Fuel consumption:**

Electricity	Current Year	Previous Year
a) Purchased units (KWH)	-	-
Total amount (Rs.)	-	-
Average rate/unit (Rs.)	-	-
b) Own generation through diesel generator set		
Units of electricity	5,359,008	5,851,048
Total cost (Rs.)	36,147,256/-	27,792,298/-
Cost per unit of electricity (Rs.)	6.75	4.74

Consumption per unit of production:

Particulars	Current Year	Previous Year
Fresh & Frozen Meat:		
		(Per K.G.)
Energy (in Units)	0.44	0.57

Form "B"
(See Rule 2)

B) TECHNOLOGY ABSORPTION:**1. Research and Development (R&D):**

Research & Development of new technologies, processes and methodologies are very important aspects of your Company. This allows the Company to enhance quality, productivity and customer satisfaction through continuous innovation.

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

R & D activities have been carried out during the year on improving the quality of finished products, reduction in wastage, conservation of energy and improving yield.

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

The R & D activities helped the Company to improve the quality of products and customers' satisfaction, thereby increase in the overall sales for the Company. Reduction in wastages, energy consumption and substantial increase in the production could be achieved, due to the aforesaid efforts made by the Company during the year under review.

Based on the continuous efforts made towards technology absorption and innovation, the Company could achieve smooth plant operation during the financial year 2004-2005 as compared to the previous year.

c) Future Plan of Action:

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

HIND INDUSTRIES LTD.**d) Expenditure on R & D:**

	Current Year	Previous Year
a) Capital (Rs.)	-	-
b) Revenue (Rs.)	98,986	94,484
c) Total (Rs.)	98,986	94,484
d) Total R&D expenses as a percentage of total Turnover	0.010	0.013

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

The Company has employed 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 and interaction opportunities have also been provided to them with the experts in the industry.

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

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

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

The Company is making efforts to maintain and consolidate the volume and realization of sales by exporting fresh, chilled and frozen quality meat products to the various existing and new International Markets.

2. Steps taken to increase Exports:

Efforts are on to explore new high realization international markets while maintaining the existing markets for enhancing the exports.

3. Earnings and Outgo:

Earnings of foreign exchange of the company have been to the tune of Rs. 81,61,79,866/- during the financial year 2004-05, by way of exports and the foreign exchange outgo during the same period was Rs. NIL.

FOR AND ON BEHALF OF THE BOARD

PLACE : NEW DELHI
DATE : 3rd SEPTEMBER, 2005

SIRAJUDDIN QURESHI
CHAIRMAN & MANAGING DIRECTOR

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HIND INDUSTRIES LTD.**MANAGEMENT DISCUSSION AND ANALYSIS****1. INDUSTRY STRUCTURE & DEVELOPMENT:**

The Company is engaged in the business of manufacture and export of fresh, chilled and frozen meat and meat products. Only a few major players exist in the meat export industry. The Company, together with its Subsidiary Company, M/s Hind Agro Industries Ltd. (HAIL), is the largest Exporter of the Meat and Meat Products from Northern India. Meat Export Industry has been consistently growing since last more than a decade and the Company made significant efforts to increase the margins and turnover by exploring international markets. The Company's performance during the year under review has been good. The focus of the Company during the year was to improve the business strategy and increase the business by supplying the existing product range in the existing as well as in the alternative markets, which are expected to further add to the growth of its business in the coming years.

2. SEGMENTWISE/PRODUCTWISE PERFORMANCE:

The Company has only one segment of product, which is "Fresh & Frozen Meat". During the year under review (i.e. 2004-05), as compared to the previous year (i.e. 2003-04), there has been an increase in the Production as well as the Sales of the Company, as the Company is in the process of tapping new and alternative markets for its products.

2.1 PRODUCTION AND CAPACITY UTILISATION:

Production achieved during the year under review, was 12316.75 M.T. as compared to 10,242.27 M.T. during the previous year, which shows a growth of 20.25% over the previous year. The capacity utilization as a percentage of installed capacity increased from 41% to 49% over the same period.

2.2 SALES TURNOVER:

The Company could achieve a Sales of Rs. 96.72 Crores during the year 2004-05, as compared to Rs. 74.27 Crores during the previous year 2003-04. There is a significant rise of 30% in the volumes, mainly due to the dedicated efforts made by the Company for its growth and development.

3. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**3.1 Raw Materials, Utilities and Packing Cost:**

The Raw Material Consumed to Sales was 63% during the year under review as compared to 59% in the previous year. The Consumption of Utilities and Packing Material Cost to Sales stood at 1.82% in the year 2004-05, down from 2.5% in the year 2003-04, which is mainly attributable to the reduction in the packing material cost and better control in utilities consumption during the financial year under review.

3.2 Interest Cost:

The Financial Cost in 2004-05 was at Rs. 3.60 Crores as against Rs. 2.01 Crores in 2003-04. The increase in Financial Cost is mainly on account of providing interest on Term Loan (i.e. on outstanding OTS amount) for the full year.

4. OPPORTUNITIES AND THREATS:**4.1 OPPORTUNITIES:**

- The Company is engaged in the business of export of fresh, chilled and frozen Meat and Meat Products, which has a lot of export potential.
- The Company and its Subsidiary Company, M/s Hind Agro Industries Limited, enjoy a significant share of Meat Export Industry and command wide acceptability of their products internationally.
- The Promoters of the Company have rich experience in the Meat Industry and have a wide network in the Global Market.
- The Company has a highly qualified and experienced work force and healthy Industrial environment.

4.2 THREATS:

- Being in a chilled and frozen form, the products of the Company are highly perishable in nature.
- The Company, with an 100% E.O.U., has its entire sales relating to the exports, which has its inherent uncertainties depending on Global developments and economic and political scenario of meat importing Countries.
- The quality of raw material depends upon the health of livestock, which needs to be disease free for being worthy of exports.
- The Government policies may be highly sensitive to the meat export industry.

5. FUTURE PROJECTS:

The focus during the year under review, was mainly on increasing the bottom lines besides maintaining the volumes. There is a significant increase in the Sales of the Company during the year under review and the Company is continue to make its best efforts to reduce the costs, increasing the volumes and optimize the pricing in the years to come.

6. OUTLOOK:

The Company is in the field of export of meat and meat products, which has a vast international market and the same is widely preferred and consumed product around the Globe and India enjoys a rich livestock wealth, meat export industry has a major scope for development. Rigorous efforts shall be continued to explore new high realization international markets and penetrate the premium products of the Company to the untapped markets. The Company shall also devise and develop the means to continuously upgrade and improve its production facilities and products for achieving a better growth. The