

36th Annual Report 2008 - 2009

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BOARD OF DIRECTORS**Chairman & Managing Director**

Mr. Sirajuddin Qureshi

Nominee Director-IFCI Limited

Mr. Dinesh Sharma

Directors

Mrs. Kiran Qureshi

Dr. Naseem Qureshi

Mr. B. B. Gupta

Mr. B. B. Huria

CHIEF EXECUTIVE OFFICER

Mr. Anil Vanjani

CHIEF FINANCIAL OFFICER

Mr. R. K. Goel

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

Mr. D. Guha

DY. GENERAL MANAGER (F & A)

Mr. Mohd. Ali Shaukat

COMPANY SECRETARY

Mr. Samar Bhatia

BANKERS

Indian Bank

State Bank of Hyderabad

Bank of India

AUDITORS

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

Chartered Accountants

REGISTERED OFFICEA-1, Phase-I, Okhla Industrial Area,
New Delhi - 110 020

Phone: 011-26372786 (7 Lines)

Fax: 011-26817941-42 (2 Lines)

Email: info@hind.in**WORKS**B-42, Site IV, Industrial Area, Sahibabad,
Distt. Ghaziabad (U.P.)

Phone: 0120-2895340

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CONTENTS

	Page No.
Notice	1
Directors' Report	3
Management Discussion and Analysis	8
Corporate Governance Report	11
Auditor's Report	20
Balance Sheet	23
Profit & Loss Account	24
Schedules Forming Part of Accounts	25
Balance Sheet Abstract	38
Cash Flow Statement	39
Statement Pursuant to Section 212 of Companies Act, 1956	40
Annual Report 2008-2009 of Hind Agro Industries Limited	41
Consolidated Balance Sheet	63

**NOTICE**

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

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009, and the Profit & Loss Account of the Company for the year ended on that date together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. B. B. Huria, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare final dividend, if any, on the Equity Shares.
4. To appoint the Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

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

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

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

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

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

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

PLACE: NEW DELHI
DATE: 13.8.2009

SAMAR BHATIA
Company Secretary

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

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS ATTACHED HERewith.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 21st September, 2009 to Wednesday, 30th September, 2009 (both days inclusive).
3. Pursuant to the directions of the Securities Exchange Board of India (SEBI), trading in the shares of your company is in compulsory de-materialized form. The members who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the de-materialization account.
4. Members are requested to intimate to the Company/Registrar changes, if any, in their registered addresses along with Pin Code Number.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
6. As a measure of economy, distribution of copies of the Annual Report at the Annual General Meeting shall not be made. Therefore, Members are requested to bring their copies of the Report to the meeting.
7. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio Numbers in the attendance slip for attending the meeting.

8. Shareholders seeking any information with regard to accounts are requested to write to the company well in advance so as to reach the company at least 7 days prior to the annual general meeting and to enable the management to keep information ready at the Annual General Meeting.

EXPLANATORY STATEMENT

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

ITEM NO. 5

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

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

Board recommends passing of the resolution as a Special Resolution.

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

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

PLACE: NEW DELHI
DATE: 13.8.2009

SAMAR BHATIA
Company Secretary

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

Name	Mr. B. B. Huria
Age	65 Years
Qualification	B.Sc., Delhi University, M.S. (Mechanical Engg.), Diploma in Russian – English Translation & Interpretation, Peoples' Friendship University, Moscow.
Expertise	Mr. B. B. Huria is an Ex. Chief General Manager of the IFCI Ltd., the premier Financial Institution of India. He has more than four decades of rich experience in various aspects of finance, banking, audit and administration. He has been to the Board of various companies as an expert on finance and Banking. He has a deep insight into the functioning of different industries. He is an eminent member on the different committees of the Directors of the company.
Other Directorships	Hind Agro Industries Ltd. Agro Dutch Industries Ltd.



HIND INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Sixth Annual Report on the business and operations of your Company and the Audited Annual Accounts of the Company for the financial year ended on 31st March, 2009.

Financial Results:

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

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

Performance:

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

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

Your Directors are pleased to inform you that the Company is regular as on 31st March, 2009, in making the quarterly payment of installments to IFCI after the Negotiated Settlement of Dues made by it vide its letter dated 21st June, 2005.

Profitability:

During the year under review the profitability of the company has increased in comparison to the corresponding financial year. The profitability has been favorably increased mainly due to the depreciation of

Indian Rupee in comparison of US Dollar.

Financial Conditions and Results of Operation:

"Management Discussion and Analysis of Financial Condition and Results of Operation of the Company for the year under review", as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange, are given as separate Statement in this Annual Report.

Subsidiary Company: HIND AGRO INDUSTRIES LIMITED

The Subsidiary Company, i.e. M/s Hind Agro Industries Limited, which has a 100% export oriented modern, integrated abattoir-cum-meat processing plant at Aligarh (U.P.), had achieved Total Sales Turnover & Other Income of Rs.638.37 Crores in the Financial Year 2008-09 and Profit after taxes (PAT) of Rs.4.66 Crores, as compared to the Total Sales Turnover & Other Income of Rs. 363.11 Crores and the Profit after taxes (PAT) of Rs. 2.29 Crores in the previous year 2007-08. A copy of the Directors' Report, Auditors' Report, Balance Sheet and Profit & Loss A/c of the Subsidiary Company for the financial year ended on 31st March, 2009 are attached herewith for your perusal.

Dividend:

The company has already declared and paid an Interim Dividend @5% for the Financial Year 2008-09, in the month of October, 2009 and now in view of current financial year slow down, the Board of Directors have taken a view that it will be in the larger interest of the Company to retain and plough back the profits for the purpose of business expansion and growth. Hence, no final dividend is being recommended for the Financial Year ended on 31st March, 2009 and the Board sought your approval for treating the said Interim Dividend as Final Dividend for the Financial Year 2008-09.

Current year's outlook:

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

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



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

Consolidated Financial Statements:

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

Deposits:

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

Capital Structure:

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

Listing Agreement Compliance:

The securities of the Company are listed with the Bombay Stock Exchange Limited, Mumbai. The Calcutta Stock Exchange Association Limited has not conveyed its formal approval for the de-listing the shares of the Company, as earlier agreed and resolved by the Company. The Company has been complying with the Listing Agreement and has already made the payment of listing fees for the Financial Year 2009-10, to the Bombay Stock Exchange Limited, Mumbai.

Corporate Governance:

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

Insurance:

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

Directors:

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

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

Auditors:

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

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

Auditor's Report:

The observations of the Auditors in the Auditor's Report on the Annual Accounts for the year 2008-09, are explained and clarified as under:

-Explanation to Point No. 4 of the Auditor's Report and Point No. C.8 of the Notes forming part of accounts to the Auditor's Report:

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

Particulars of Employees:

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



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

- Remuneration received includes salary, commission and other allowances, perquisites etc.
- The salary of the Chairman & Managing Director is as per the special resolution passed by the shareholders in the 35th Annual General Meeting

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

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

Directors' Responsibility Statement:

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

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2009, the applicable Accounting Standards has been followed along with proper explanations relating to the material departures;
- (ii) that the Directors has selected such Accounting Policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for the year under review;
- (iii) that the Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors has prepared the Accounts for the Financial Year ended 31st March, 2009, on a 'going concern' basis.

Personnel:

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

Acknowledgements:

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

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

PLACE: NEW DELHI
DATE: 13.8.2009

SIRAJUDDIN QURESHI
CHAIRMAN & MANAGING DIRECTOR



HIND INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY:

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

Energy conservation Measures Taken:

a) Energy conservation measures during the financial year:

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

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

- (i) The Company has revamped the Old DG Sets with new generation series. High efficiency Gen sets have been installed to reduce the consumption of energy.
- (ii) The Company has also revamped the old refrigeration pipe network including condensers to increase the overall efficiency.
- (iii) The Company has implemented a proper system through which regular overhauling and timely replacement of inefficient equipments have been carried out and thereby, reduction in the consumption of energy.
- (iv) The Company has installed equipments of optimum size and capacity in order to prevent the misuse / wastage of power & energy and also monitor the same on routine basis.

c) Impact of measures at (a) and (b) above for

reduction of energy consumption and consequent impact on the cost of production of goods:

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

d) Total energy consumption:

Power and Fuel consumption:

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

Consumption per unit of production:

Fresh & Frozen Meat:

(Per K.G.)

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

Form "B"

(See Rule 2)

B) TECHNOLOGY ABSORPTION:

1. Research and Development (R&D):

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

During the year under review, steps are being taken for improving the quality of



HIND INDUSTRIES LIMITED

finished products, reduction in wastage, conservation of energy.

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

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

c) Future Plan of Action:

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

d) Expenditure on R & D:

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

2. Technology Absorption, Adaptation and Innovation:

a) Efforts in brief made towards technology absorption, adaptation and innovation:

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

continuous updation.

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

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

c) Technology imported: Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Efforts:

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

2. Steps taken to increase Exports:

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

3. Earnings and Outgo:

Earnings of foreign exchange of the company have been to the tune of **Rs.97,69,04,158/-** (FOB Value) during the financial year 2008-09 (Previous year Rs.80,31,51,005/-), by way of exports and the foreign exchange outgo during the same period was **Rs. NIL**.

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

PLACE: NEW DELHI
DATE: 13.8.2009

SIRAJUDDIN QURESHI
CHAIRMAN & MANAGING DIRECTOR



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE & DEVELOPMENT

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

2. SEGMENTWISE/PRODUCTWISE PERFORMANCE

Your Company has only one segment of product, which is "Fresh & Frozen Meat". During the year under review (i.e.2008-09), as compared to the previous year (i.e.2007-08), there has been slight decrease in the Total Production and increase in the Sales Value made by the Company.

2.1 PRODUCTION AND CAPACITY UTILISATION

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

2.2 SALES TURNOVER

The Company managed to achieve a Sales of Rs. 117.96 Crores during the year 2008-09, as compared to Rs. 98.80 Crores during the previous year 2007-08. The increase in sales

amount is because of increase in sales price rate per K.G. However, the Company is making its intense efforts to increase its production and sales day-by-day.

3. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

3.1 Raw Materials, Utilities and Packing Cost

The Raw Material Consumed to Sales was 70% during the year under review as compared to 64% in the previous year. The Consumption of Utilities and Packing Material Cost to Sales decreased to 1.26% in the year 2008-09, from 1.36% in the year 2007-08.

3.2 Interest Cost

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

4. OPPORTUNITIES AND THREATS

4.1 OPPORTUNITIES

- With the conversion of your Company from 100% Export Oriented Unit to Domestic Tariff Area, new area of domestic business have opened for the Company.
- With the rich experience of the Promoters of the Company in Meat Industry and having a sound network in the Global Market, the Company will definitely continue to achieve its targets of being a leader in this field.
- The Company is having the services of a highly qualified and experienced work force and enjoys a very healthy industrial environment for its growth and development.
- The Company along with its Subsidiary Company i.e. M/s Hind Agro Industries Limited, enjoy a significant share of Meat Export Industry and command a greater acceptability of their products internationally.
- The Government is extending its full support to the Export Industry and making its efforts in opening-up new alternate markets for the export.