

38th Annual Report 2010 - 2011



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 (w.e.f 12 August, 2011)

CHIEF EXECUTIVE OFFICER	Mr. Anil Vanjani
CHIEF FINANCIAL OFFICER	Mr. R. K. Goel
GENERAL MANAGER (F & A)	Mr. Mohd. Ali Shaukat
COMPANY SECRETARY	Mr. Samar Bhatia
BANKERS	Indian Bank State Bank of Hyderabad Bank of India J & K Bank
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.) - 201010 Phone: 0120-4397750 Fax: 0120-2895341

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 38TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON MONDAY, THE 26TH DAY OF SEPTEMBER, 2011, 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 2011 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 Dr. Naseem Qureshi, 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 an **Ordinary Resolution**;

"Resolved that pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Dr. S. K. Ranjhan be and is hereby appointed as a Director of the company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all 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 subject to approval of Central Government and such other approvals and sanctions, if required, and as per the approval and recommendation from the Remuneration Committee, the consent of the company be and is hereby accorded for the re-appointment of Mr. Sirajuddin Qureshi, the Chairman & Managing Director of the Company for the period of five years i.e. from 06th August, 2011 to 05th August, 2016, as per the details set out hereunder:

(i) Salary:

Salary of Rs.3,00,000/- (Rupees Three Lac only) per month.

(ii) Perquisites:

In addition to above, the Chairman & Managing Director shall also be entitled to the following perquisites as specified in Category A, B & C:

Category A:

(a) Housing:

- (i) The expenditure incurred by the company on hiring furnished accommodation will be subject to the following ceiling – 60% of the salary over and above 10% payable by him.
- (ii) In case accommodation is owned by the company, 10% of his salary shall be deducted by the company.
- (iii) In case no accommodation is provided by the company, he shall be entitled to HRA @ 60% of the salary.

(b) Medical reimbursement:

Reimbursement of actual medical expenses incurred by him and his family, subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

(c) Leave Travel Concession:

For self and his family, once a year subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

(d) Club fee:

Fees of clubs, subject to a maximum of two clubs for self and spouse on actual basis subject to one month's salary in a year.

(e) Personal accident insurance:

Actual premium to be paid by the company, subject to one month's salary in a year.

Category B:

The Chairman & Managing Director shall also be entitled to the following perquisites, which shall not be included in computation of the ceiling on remuneration specified herein:

- (i) Contribution to the provident fund, superannuation fund or annuity fund as per the rules of the company to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable shall not exceed a half month's salary for each completed year of service.
- (iii) Encashment of leave at the end of every financial year.

Category C:

The company shall provide a car with driver and telephone facility at the residence of the Chairman and Managing Director. The provision of Car with driver

for use of company's business and telephone facility at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the Chairman and Managing Director.

RESOLVED FURTHER THAT subject to the provisions of section 198 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the remuneration and perquisites as set out hereinabove shall be paid or granted to Mr. Sirajuddin Qureshi as minimum remuneration, notwithstanding that in any financial year of the company, during the remaining tenure of Mr. Sirajuddin Qureshi as the Chairman and Managing Director, the Company has made no profits or the profits made are inadequate, or such other amount and perquisites as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary/modify/amend any of the aforesaid terms and conditions, provided such variation/modification/amendment is in conformity with the applicable provisions of the Act, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

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

PLACE: NEW DELHI
DATE: 12.08.2011

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, 19th September, 2011 to Monday, 26th September, 2011 (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. Members who have not yet got their shares de-materialized, are requested to opt for the same in their own interest and send their share certificates

through Depository Participant(s) with whom they have opened the de-materialization account.

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

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

PLACE: NEW DELHI
DATE: 12.08.2011

SAMAR BHATIA
Company Secretary

EXPLANATORY STATEMENT

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

ITEM NO. 5

To further Broadbase and professionalize the Board of the company, Dr. S. K. Ranjhan has been appointed as the Additional Director, with effect from 12th August, 2011. The term of office of the aforesaid Director expires at the ensuing Annual General Meeting.

Dr. S. K. Ranjhan has a wide and rich experience in livestock development, especially Buffalo. He is an Ex-consultant of World Bank on buffalo development and is also a distinguished director on the Board of the Subsidiary Company, i.e. Hind Agro Industries Limited. It is hoped that

the Company will be greatly benefited by his rich experience and professional approach.

The Company has received notice under section 257 of the Companies Act, 1956 along with the prescribed deposits proposing the appointment of Dr. S. K. Ranjhan as the Director of the Company.

Board recommends the passing of resolutions at point no.5 as Ordinary Resolution.

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

ITEM NO. 6

Members are hereby informed that Mr. Sirajuddin Qureshi (aged 63) was re-appointed as the Chairman and Managing Director of the Company for a period of three years effective from 06.08.2008 to 05.08.2011 on the remuneration as recommended by the Remuneration Committee in its meeting held on 30th August, 2008 and confirmed by the Board of Directors in its meeting held on 30th August, 2008 and by the Shareholders in the Annual General Meeting held on 30th September, 2008.

The company has continuously grown leaps and bounds under his esteemed leadership. It is his total involvement, leadership and hard work that the company has emerged today as one of the largest integrated manufacturer, processor and exporter of Fresh and Frozen Buffalo and Sheep Meat and Meat products in all over the World.

Considering the fact that he is discharging overall responsibilities of the affairs of the Company and on the recommendation of the Remuneration Committee, the Board of Directors have considered and resolved to re-appoint him for a period of five years w.e.f. 06th August, 2011 to 05th August, 2016, on such terms and conditions as set out in the resolutions passed in their respective meetings, subject to the necessary approvals including members of the company at the ensuing Annual General Meeting of the Company and Central Government.

Mr. Sirajuddin Qureshi, may be considered to be concerned or interested in the said resolution, since it relates to his re-appointment. Mrs. Kiran Qureshi and Dr. Naseem Qureshi, Directors may also be considered as concerned or interested in the same, being relatives of Mr. Sirajuddin Qureshi. Save as aforesaid, none of the other Directors are concerned or interested in the said resolution.

This Explanatory Statement together with the accompanying notice is to be regarded as an abstract of his terms of remuneration or concern or interest under section 302 of the Companies Act, 1956.

As required under the Schedule XIII of the Companies Act, 1956, the relevant information to be sent along with the notice calling the Annual General Meeting is set out hereinafter.

Your Directors recommend the aforesaid resolution as Special Resolution for your approval.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT AND SCHEDULE XIII OF THE COMPANIES ACT, 1956.

As required under the Listing Agreement and Schedule XIII of the Companies Act, 1956, the particulars of Directors who are proposed to be appointed/re-appointed, are given below:

Name	Dr. Naseem Qureshi
Age	47 Years
Qualification	B.Sc., BUMS.
Expertise	Dr. Naseem Qureshi, the brother of Mr. Sirajuddin Qureshi-Chairman & Managing Director and brother-in-law of Mrs. Kiran Qureshi-Director, has nearly two decades of valuable experience in the various areas of industry specially procurement of raw material, production and export of meat and meat products. He has worked for the company as its Vice President for about four years and has been associated with Hind Agro Industries Ltd., the subsidiary of the company, as President for the last eight years.
Other Directorships	Hind Infra Engineers Ltd. Agriotek Foods Ltd.
Name	Dr. S. K. Ranjhan
Age	76 Years
Qualification	M.V.Sc., MS (USA), PHD., D.Sc., Fellow-NAVS.
Expertise	More than four decades of rich experience in various areas of livestock development and 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 one of the distinguished Directors on the Board of Hind Agro Industries Ltd., the subsidiary of the company, since long time.

Other Directorships

Hind Agro Industries Ltd.
Hind Bio-pharmaceuticals Ltd.
Appropriate Technology India
Hind Techno Consultants Pvt. Ltd.

Name

Mr. Sirajuddin Qureshi

Age

63 Years

Qualification

BA., LL.B.

Expertise

Mr. Sirajuddin Qureshi is the core promoter of Hind Industries Ltd. and has been associated as the Chairman & Managing Director of the company since beginning. He has a vast experience of the various areas of meat export industry and 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 also acting as the Managing Director of Hind Agro Industries Ltd., the subsidiary of the company, since its commencement.

Other Directorships

Hind Agro Industries Ltd.
Hind Bio-pharmaceuticals Ltd.
Hind Infra Engineers Ltd.
Agriotek Foods Ltd.
Jamia Co-operative Bank Ltd.
National Small Industries Corporation Ltd.

I. General Information:													
(1) Nature of Industry:	Manufacturing & Export												
(2) Date or expected date of commencement of commercial production:	01.01.1990												
(3) In case of new companies, expected date of commencement of activities as per project approved by financial Institutions appearing in the prospectus:	Not Applicable												
(4) Financial performance based on given indicators:	(Rs. In Lacs) <table><tr><th>Parameters</th><th>2010-11</th><th>2009-10</th><th>2008-09</th></tr><tr><td>Turnover</td><td>13837</td><td>12245</td><td>11796</td></tr><tr><td>Net Profit/ (Loss) as per P&LA/c</td><td>194</td><td>197</td><td>104</td></tr></table>	Parameters	2010-11	2009-10	2008-09	Turnover	13837	12245	11796	Net Profit/ (Loss) as per P&LA/c	194	197	104
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(5) Export performance and net foreign exchange collaborations:	(Rs. In Lacs) <table><tr><th>Parameters</th><th>2010-11</th><th>2009-10</th><th>2008-09</th></tr><tr><td>Exports</td><td>13170</td><td>11917</td><td>11278</td></tr><tr><td>FOB Value</td><td>11561</td><td>10427</td><td>9769</td></tr></table>	Parameters	2010-11	2009-10	2008-09	Exports	13170	11917	11278	FOB Value	11561	10427	9769
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Exports	13170	11917	11278										
FOB Value	11561	10427	9769										
(6) Foreign investments or collaborators, if any:	NIL												
II. Information about the Appointee:													
(1) Background details:	The proposed appointee i.e. Mr. Sirajuddin Qureshi, has been working as the Chairman & Managing Director and is the core promoter of the Company. He is discharging the overall responsibilities of the affairs of the Company through Marketing, Finance, and Production to Exports and overall management of the Company.												

(2) Past remuneration:	2010-11 Rs.34,91,567/- 2009-10 Rs.33,86,405/- 2008-09 Rs.34,89,286/-
[3] Recognition or awards:	Mr. Sirajuddin Qureshi is an eminent Member of the various Govt., commercial, social and cultural organizations. He has bagged many prestigious awards like Dada Bhai Nauroji Award, Best Citizen Award from the Uttar Pradesh Government.
(4) Job profile and his suitability:	Mr. Sirajuddin Qureshi is the Chairman & Managing Director of the Company and also the Managing Director of the Subsidiary Company, i.e. Hind Agro Industries Ltd., which is also in the same trade. Hence, his vast experience in the industry of meat export may be used fruitfully in both the companies.
[5] Remuneration proposed:	Basic Salary: Rs.3,00,000/- per month. Besides the above Salary, the Appointee is proposed to be paid Furnished Accommodation, Medical Benefits, Leave Travel Concession, Club Fees, Personal Accident Insurance, Leave Encashment. The Company shall also make contribution for him to the Provident Fund, Superannuation/Annuity Fund, Gratuity. A Car with driver and Telephone facility at the residence of the Chairman and Managing Director shall also be provided by the Company. Details of all the above elements may be referred at point no.6 of the Notice contained in this Annual Report.
[6] Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	No comparative figures are available of the industry as such, but the remuneration package is in consonance with the profile of the Appointee, position, industry and size of the Company. The Appointee is not an expatriate.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, If any:	The Appointee does not have any pecuniary relationship with the Company. He is a relative of Mrs. Kiran Qureshi and Dr. Naseem Qureshi, Directors in the Company.
III. Other information:	
(1) Reason of loss or inadequate profits.	The Company has managed to achieve only a Net Profit After Tax of Rs.254.21 Lacs during the financial year 2010-11, due to appreciation of Indian Rupee vis-à-vis United States Dollar.
(2) Steps taken or proposed to be taken for improvement.	The company is making its regular efforts for the improvement in its production and sales volume.
[3] Expected increase in productivity and profits in measurable terms.	The company is expected to increase its productivity and profits by about 20% in the next financial year.

IV. Disclosures:

- (1) The shareholders of the company are being informed of the remuneration package of Mr. Sirajuddin Qureshi-Chairman and Managing Director, at point no. 6 of the Notice contained in this Annual Report.
- (2) The following disclosure is also being made as a part of the Board of Director's Report under the heading "Corporate Governance", attached to this Annual Report: -
 - (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the Directors:
The Company is not paying any remuneration to any other Director of the Company.
 - (ii) Details of fixed and performance linked incentives along with the performance criteria:
All elements of the remuneration package of the Appointee are defined in the Special Resolution at point no.6 of the Notice as contained in this Report.
 - (iii) Service contracts, notice period, severance fees:
No separate service contract executed by the Company with the proposed Appointee.
 - (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:
Nil.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Eighth 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, 2011.

Financial Results:

The Financial Highlights of the Company for the financial year ended on March 31st, 2011 are as under:

<i>(Amount in Lac Rs.)</i>		
Particulars	2010-11	2009-10
Sales	13837.40	12245.36
Other Income	117.23	188.33
Profit before Depreciation, Interest and Tax {PBDIT}	1336.04	1108.54
Profit/(Loss) before Taxes {PBT}	362.15	247.54
Less- Tax for current year	162.88	126.36
Less- Tax for Earlier years	0.00	(83.43)
Add- Deferred tax asset /(liability)	54.93	43.33
Profit/(Loss) after Taxes {PAT}	254.21	247.95
Surplus/(Loss) Carried to Balance Sheet	4713.44	4519.65

Performance:

During the financial year 2010-11, your Company again achieved the highest ever turnover of Rs.138.37 Crores as against Rs.122.45 Crores in the previous year 2009-10, thereby showing an increase of 13.00%. The Profit before tax (PBT) of the Company during the financial year 2010-11 stood at Rs.3.62 Crores as against Rs.2.48 Crores in the previous financial year 2009-10, which is an increase of 45.97%. The Net Profit after tax (PAT) of the Company during the financial year 2010-11 stood at Rs.2.54 Crores as compared to Rs.2.48 Crores in the previous year.

The Company has made a satisfactory progress in the first quarter of this current financial year 2011-12 and has achieved a turnover of around 28.77 Crores in the quarter ended on 30th June, 2011.

Your Directors are pleased to inform you that the Company has made full and final payment to IFCI Ltd. of all loans under the 'Negotiated Settlement of Dues' during the year under review.

Profitability:

During the year under review the profitability of the company is static in comparison to the corresponding

financial year. The company could be able to maintain the profitability at par mainly due to better efforts to control the cost of raw material.

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 an integrated abattoir-cum-meat processing plant at Aligarh (U.P.), achieved Total Sales Turnover Rs.701.37 Crores and Profit before taxes (PBT) of Rs.9.30 Crores for the year ended 31st March, 2011, as compared to the Total Sales Turnover of Rs.686.13 Crores and the Profit before taxes (PBT) of Rs.9.34 Crores in the previous year 2009-10. 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, 2011 are attached herewith for your perusal.

Directors are pleased to inform that your Subsidiary company has also repaid all loans taken from IFCI & IDBI, during the year under review.

Dividend:

The Board considering the Company's performance on achieving the highest ever turnover for the year under review, has recommended payment of dividend @ 6% for the year ended 31st March, 2011, subject to the approval of Members at the ensuing Annual General Meeting.

Current year's outlook:

Your Company is expected to improve further and consolidate its operations in the ongoing financial year i.e.2011-12, 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.

The Company has also diversified its activities into the power generation and natural resources field. 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 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 de-listing of 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 2011-12, 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 (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, Dr. Naseem Qureshi, 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. During the period under review, nomination of Mr. Dinesh Sharma, Nominee Director-IFCI has been withdrawn by IFCI. Board places on record its appreciation for the valuable guidance provided by Mr. Dinesh Sharma during his tenure as Director of the Company.

Dr. S. K. Ranjhan is being appointed as the Additional Director of the Company by the Board in its meeting held on 12th August, 2011, his appointment being valid till the ensuing Annual General Meeting, is proposed to be regularized under section 257 of the Companies Act, 1956.

The term of appointment of Mr. Sirajuddin Qureshi as the Chairman & Managing Director, has expired on 05th August, 2011. He shall be re-appointed for a further period of five years w.e.f. 06th August, 2011 to 05th August, 2016, by passing a special resolution of the shareholders in the ensuing Annual General Meeting of the Company.

The Board recommends for the respective re-appointments of Dr. Naseem Qureshi, Dr. S. K. Ranjhan and Mr. Sirajuddin Qureshi.

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 2010-11, 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:

Since there is no employee drawing a remuneration more than Rs.60,00,000 per year or Rs.5,00,000/- per month the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) rules 1975 does not apply.

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, 2011, 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, 2011, 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: 12.08.2011

SIRAJUDDIN QURESHI
CHAIRMAN & MANAGING DIRECTOR