

39th Annual Report 2011 - 2012



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

CHIEF FINANCIAL OFFICER

Mr. R. K. Goel

GENERAL MANAGER (F & A)

Mr. Mohd. Ali Shaukat

COMPANY SECRETARY

Mr. M. S. Malik

BANKERS

Indian Bank

State Bank of Hyderabad

Bank of India

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)

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WORKS

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 39TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON SATURDAY, THE 22ND DAY OF SEPTEMBER, 2012, 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 2012 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 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 in supersession to the earlier resolutions passed by the members of the company, the consent of the company be and is hereby accorded pursuant to Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company to borrow any sum or sums of money from time to time for the purpose of the business of the Company on such terms and conditions and with or without security, as the Board of Directors may in its discretion think fit, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of paidup capital and free reserves of the Company, i.e. reserves not set apart for any specific purpose, provided however, that the total borrowings at any time including the monies already borrowed shall not exceed the sum of Rs.300 Crores (Rupees Three Hundred Crores only).

Further resolved that the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient or desirable, and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by the Board of Directors to be in the best interest of the Company."

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

"Resolved that in supersession to the earlier resolutions passed by the members of the Company, the consent of the Company be and is hereby accorded, in terms of Section 293(1)(a) and other applicable provisions, if any of the Companies Act, 1956 for mortgaging and/or charging by the Board of Directors of the Company, all the immovable and movable properties of the company wheresoever situate, present and future and the whole of the undertaking of the company and/or giving the power to takeover the management of the Business and concern of the company in certain events (whether such power is contained in the documents creating the mortgage/charge or otherwise) in favour of various Financial Institutions/Banks/Bodies Corporate to the extent of Loan(s) sanctioned by them together with the interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on repayment or on the redemption, costs, charges, expenses and other monies payable by the company under Loan Agreement(s) entered into/to be entered into by the company in respect of the said loans subject to an overall limit of Rs.300 Crores (Rupees Three Hundred Crores only).

Further resolved that the Board of Directors of the Company be and is hereby authorised to do all such acts and things as may be necessary for giving effect to the above resolution."

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

"Resolved that in supersession of earlier resolutions passed by the Company for making Inter Corporate Loans and Investments, giving Inter Corporate Guarantees and Securities pursuant to the provisions of Section 372A of Companies Act, 1956 the Board of Directors of the company be and is hereby authorised to make Inter Corporate Loan and Investment, give any Guarantee or provide any Security in connection with a loan made by any other person to or to any other person by, any Body Corporate notwithstanding the fact that whether such Body Corporate is under the same management or not as the Company, upto an aggregate limit of Rs.400 Crore (Rupees Four Hundred Crores Only)."

Further resolved that all the Corporate Guarantees/ Securities furnished to Punjab National Bank, Dena Bank and India Bulls Housing Finance Ltd. by the Board of Directors and Finance Committee of Directors of the Company, during last twelve months, in connection with the Credit Facilities being availed by the subsidiary company i.e. M/s Hind Agro Industries Ltd. and other bodies corporate whether under the same management or not as the company to the tune of Rs.223.78 Crores be and are hereby confirmed and ratified."

Further resolved that Mr. Sirajuddin Qureshi, Chairman and Managing Director and/or Mr. M. S. Malik, Secretary of the Company be and are hereby jointly/severally authorised to do all such necessary acts, deeds, matters and things to give effect to the aforesaid resolutions.”

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

PLACE: NEW DELHI

M. S. MALIK

DATE: 14.08.2012

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.**
- The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 17th September, 2012 to Saturday, 22nd September, 2012 (both days inclusive).
- Pursuant to the directions of the Securities Exchange Board of India (SEBI), trading in the shares of your company is in compulsory de-materialized form. Members who have not yet got their shares de-materialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the de-materialization account.
- Members are requested to intimate to the Company/Registrar, changes if any, in their registered addresses along with Pin Code Number.
- Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- As a measure of economy, distribution of copies of the Annual Report at the Annual General Meeting shall not be made. Therefore, Members are requested to bring their copies of the Report to the meeting.
- As per the green initiatives taken by the Ministry of Corporate Affairs it is imperative to protect the environment by conserving the natural resources hence members are advised to kindly provide their email

addresses so that the Annual Report and other correspondence with them may be furnished in electronic form in future.

- Members who hold shares in dematerialized form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio Numbers in the attendance slip for attending the meeting.
- 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 A. G. M.
- Those Members who have not yet claimed their dividend for the financial years 1997-98, 2008-09, 2009-10 and 2010-11, are further notified that they should claim the same as soon as possible, since after completing 7 years from becoming unpaid, it will be transferred into the '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

M. S. MALIK

DATE: 14.08.2012

Company Secretary

EXPLANATORY STATEMENT

Pursuant to Section 173(2) & 192A of the Companies Act, 1956.

ITEM NO. 5 & 6

At the 25th Annual General Meeting of the Company held on 18th December, 1998, members passed an ordinary resolution thereby giving their sanction under Section 293(1)(a) of the Companies Act, 1956 to mortgage and/or charge by the Board of Directors of the Company any of the immovable and movable properties of the company securing any loan and/or advances already obtained or that might be obtained within the overall borrowing limits of Rs.200 Crores. At the Annual General Meeting members also authorised to the Board by ordinary resolution passed pursuant to section 293(1)(d) of the Companies Act, 1956 to borrow within aforesaid overall limits. Keeping in view of the expansion and diversification project being undertaken by the company, the company may require additional funds and hence the limit is now proposed to be increased to Rs.300 Crores (Rupees Three Hundred Crores Only) which is in excess of paidup Share Capital and free reserves of the Company. The ordinary resolutions set out at item Nos. 5 & 6 are intended to give requisite authority to the Board.

Board recommends the passing of resolutions at point no.5 & 6 as an Ordinary Resolutions.

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

ITEM NO. 7

The members in the 28th Annual General Meeting of the company held on 26th September, 2001, passed a resolution under Section 372A of the Companies Act, 1956 authorising the Board to give any guarantee and provide any security in connection with a loan made by any other person to or to any other person by, any body corporate upto a limit of Rs.200 Crores during the period of one year commencing from the conclusion of the Annual General Meeting. This authority was valid for a period of one year.

The company has already provided corporate guarantees to Punjab National Bank, Dena Bank and M/s Indiabulls Housing Finance Ltd. on behalf of M/s Hind Agro Industries Ltd. a subsidiary of the company and M/s Al-Mashriq Exports Pvt. Ltd. the group and associate company for more than Rs.200 Crores in exegency, which is in excess of the limits prescribed under the Companies Act, 1956 and as approved by the aforesaid resolution.

Moreover, proposals have already been placed before various Commercial Banks for meeting the additional working capital requirements of Hind Agro industries Ltd. and other Group and Associate Companies and in this connection there is an immediate need of providing the corporate guarantee for availing working capital and other credit facilities by these companies.

Looking into the size of the coming projects further loan/ investment shall be made and guarantees/securities would have to be provided for their Term Loans and working capital needs which in aggregate may extend to Rs.400 Crores.

Members are requested to confirm and ratify the existing Corporate Guarantees and securities provided by the Board of Directors and Finance Committee of Directors and revalidate this authority upto an aggregate limit of Rs.400 Crores. This authority is required for the purpose of loan/investment to be made and guarantee/security given to be given on behalf of M/s Hind Agro Industries Ltd., the subsidiary company, M/s Al-Mashriq Exports Pvt. Ltd. and M/s Integrated Livestock Village Farm Pvt. Ltd., the group and associate companies and other Group and Associate Companies for their future Term Loans and Working Capital needs.

Your Directors recommend the aforesaid resolution as Special Resolution for your approval and your approval is also being sought under the provisions of Section 192A of the said Act read with the provisions of the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011 by way of voting through Postal Ballot.

The Board of Directors of the Company has appointed Mr. Rajiv Khosla, Practicing Company Secretary, Ghaziabad, Uttar Pradesh as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

Copies of the Corporate Guarantee documents showing the amount and other details and register of Corporate Guarantees furnished is available for inspection at the Registered Office of the Company during office hours on all working days (except Saturdays, Sundays and Holidays) between 11.00 a.m. and 1.00 p.m. up to 15th October, 2012.

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

Note:

The Special Resolution at Item No.7 of the Notice is also required to be passed by members through postal ballot under the provisions of Section 192A read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

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, is given below:

Name	Mrs. Kiran Qureshi
Age	62 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 Directorship	Hind Agro Industries Ltd. Hind Infra Engineers Ltd. Hind Bio-Pharmaceuticals Ltd.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Ninth 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, 2012.

Financial Results:

The Financial Highlights of the Company for the financial year ended on 31st March, 2012 are as under:

(Amount in Lac Rs.)

Particulars	2011-12	2010-11
Revenue from Operations	14020.89	13837.40
Other Income	119.90	117.23
Profit before Depreciation, Extra Ordinary Items and Taxes {PBDEIT}	675.82	643.56
Extra Ordinary Items Written Off	660.04	0.00
Profit/(Loss) before Depreciation and Taxes {PBDT}	15.77	643.56
Depreciation and Amortisation Expense	286.66	281.40
Profit/(Loss) before Taxes	(270.89)	362.16
Less: Tax for current year	0.00	162.88
Add: Deferred tax Written Back	60.29	54.93
Profit/(Loss) after Taxes {PAT}	(210.60)	254.21
Surplus/(Loss) Carried to Balance Sheet	4683.32	4713.44

Performance:

During the financial year 2011-12, your Company again achieved the highest ever turnover of Rs.14020.89 Lacs as against Rs.13837.40 Lacs in the previous year 2010-11, thereby showing an increase of 1.33%. The Profit before Depreciation, Extra Ordinary Items and Taxes (PBDEIT) of the Company during the financial year 2011-12 stood at Rs.675.82 Lacs as against Rs.643.56 Lacs in the previous financial year 2010-11, which is an increase of 5.00%. The company suffered a Net Loss after Tax (NLAT) of Rs.210.60 Lacs during the financial year 2011-12 as compared to the Net Profit after Tax of Rs.254.21 Lacs in the previous year.

Profitability:

During the year under review the company has posted operating profits but due to the writing-off of the extra ordinary items the company could not be able to maintain the profitability and suffered losses.

Financial Conditions and Results of Operation:

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

Subsidiary Company: HIND AGRO INDUSTRIES LIMITED

The Subsidiary Company, i.e. M/s Hind Agro Industries Limited, which has a 100% export oriented modern, integrated abattoir-cum-meat processing plant at Aligarh (U.P.), achieved Total Sales Turnover of Rs.70351.29 Lacs and Profit before taxes (PBT) of Rs.943.23 Lacs for the year ended 31st March, 2012, as compared to the Total Sales Turnover of Rs.70137.21 Lacs and the Profit before taxes (PBT) of Rs.919.00 Lacs in the previous year 2010-11.

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

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

Dividend:

In view of the losses suffered by the company the Board shows its inability to maintain the rate of dividend however, keeping in view of the sentiment of investor and market the Board members recommended a dividend @ 3% out of the General Reserves complying with the provisions under Companies (Declaration of Dividend Out Of Reserves) Rules, 1975.

Current year's outlook:

Your Company is expected to improve further and consolidate its operations in the on going financial year i.e. 2012-13, by making increase in volumes, reduce financial and other costs, monitoring and controlling a better mix of its products and markets towards achieving the better top and bottom lines in the years to come.

The Company has already commenced the commercial production w.e.f. 25th March, 2010 in the factory of High Security Registration Number Plate (HSRNP). The said project at Baddi, in the State of Himachal Pradesh is now commissioned and the company is applying for

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

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

Consolidated Financial Statements:

As stipulated in the Listing Agreement with the Stock Exchange, the Consolidated Financial Statements have been prepared by the Company in accordance with the relevant accounting standards issued by the Institute of Chartered Accountants of India. The Audited consolidated financial statements together with Auditors' Report thereon 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 2012-13, 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, Mrs. Kiran Qureshi, Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting of the company and being eligible, offers herself for the re-appointment.

The Board recommends for the re-appointment of Mrs. Kiran 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 2011-12, are explained and clarified as under:

– Explanation to Point No.4 of the Auditor's Report and Point No.33 of the Notes forming part of the Financial Statements:

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

Particulars of Employees:

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

Name of the Employee	Designation	Qualification	Age	Remuneration (Amt in Lacs Rs.)	Experience	Date of Employment	Previous Employment
Mr. Sirajuddin Qureshi	Chairman & Managing Director	BA, L.L.B.	64 years	53.83*	35 years	06.08.1993	Not Applicable

*Remuneration shown above includes commission of Rs.3.97/- Lacs (F.Y. 2010-11)

The above salary of the Chairman & Managing Director includes the salary @ Rs.6.08/- Lacs p.m. w.e.f. 06th August, 2011 which is as per the special resolution passed on 26th September, 2011, by the shareholders in the 38th Annual General Meeting and subsequent approval of Central Government.

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, 2012, 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 Loss 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, 2012, 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**

DR. S. K. RANJHAN
DIRECTOR

DR. NASEEM QURESHI
DIRECTOR

PLACE: NEW DELHI

DATE: 14.08.2012

ANNEXURE TO THE DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY:

Following activities were undertaken to save/conserv energy:

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

FORM 'A'

FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Power and Fuel consumption:

Electricity	Current Year	Previous Year
a) Purchased units (KWH)		
Total amount (Rs.)	—	—
Average rate/unit (Rs.)	—	—
b) Own generation through diesel generator set		
Units of electricity	26,99,664	45,55,374
Total cost (Rs. in Lacs)	325.55	491.90
Cost per unit of electricity (Rs.)	12.06	10.80
c) Furnace Oil (Boiler)		
Ltrs	—	5,37,949
Cost in (Rs. in Lacs)	—	158.44
Rate / Litre (Rs.)	—	29.45
d) High Speed Diesel Oil (Boiler)		
Ltrs	3,66,953	83,078
Cost in (Rs. in Lacs)	139.54	29.28
Rate / Litre (Rs.)	38.03	35.25

Consumption per unit of production:**Fresh & Frozen Meat:****(Per K.G.)**

Particulars	Current Year	Previous Year
Energy (in Units)	0.449	0.652

Form 'B'**(See Rule 2)****B) TECHNOLOGY ABSORPTION:****1. Technology Absorption, Adaptation and Innovation:****a) Efforts in brief made towards technology absorption, adaptation and innovation:**

We have always kept abreast with the latest technology developments taking place in the external environment. The Company is regularly employing qualified technical, operational, process, veterinary staff and food technologist for proper absorption, adaptation and innovation of the technology. The employees are regularly imparted technical and professional training for their continuous updation.

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

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

c) Technology imported: Nil**C) FOREIGN EXCHANGE EARNINGS AND OUTGO:****1. Earnings and Outgo:**

Earnings of foreign exchange of the company have been to the tune of **Rs.10,519.63/- Lacs** (FOB Value) during the financial year 2011-12 (Previous year Rs.11,561.49/- Lacs), 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****DR. S. K. RANJHAN**
DIRECTOR**DR. NASEEM QURESHI**
DIRECTORPLACE: NEW DELHI
DATE: 14.08.2012

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Fiscal 2011-12 witnessed the global economy largely shaking off the effects of the economic and financial crisis and starting on the road of recovery. Nevertheless, economic growth in the industrialized nations was below average compared with the performance seen after previous economic slumps, with only Asia, particularly India and China seeing above-average momentum. The Financial Year 2011-12 faced headwinds such as the Euro-zone debt crisis, political upheaval in Middle East. The Indian economy continues to be on a strong growth trajectory with CSO (Central Statistical Office) estimating a growth of 6-7% in real GDP for 2011-12 fiscal as compared to a 8.60% growth for 2010-11 fiscal. Although GDP remained strong, high levels of inflation throughout the year played spoilsport, oscillating within a band of 10% to 7%. This led to several rounds of interest rate hikes by the Reserve Bank of India to curb inflation and prevent overheating of the economy. This led to an increase in financial costs during the fiscal 2011-12. All round high inflation in commodities and manufactured products led to significant increase in input costs across the sectors. In addition, crude prices moved up, which also had an impact on transportation costs and packaging costs. Overall, Financial Year 2011-12 was a very challenging year in terms of input cost inflation and managing material costs.

1. INDUSTRY STRUCTURE & DEVELOPMENT

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

2. SEGMENTWISE/PRODUCTWISE PERFORMANCE

Your Company has only one segment of product, which is "Fresh & Frozen Meat". During the year under review (i.e. 2011-12), as compared to the previous year (i.e. 2010-11), there has been increase in the Sales Value made by the Company.

2.1 PRODUCTION AND CAPACITY UTILISATION

Production achieved during the year under review is 6069.670 M.T. as compared to 7919.615 M.T. during the previous year, which shows a decrease of 23.36% over the previous year. The capacity utilization as a percentage of installed capacity decreased slightly from 31.68% to 24.28% over the same period.

2.2 SALES TURNOVER

The Company achieved highest ever turnover of Rs.14020.89 Lacs during the year 2011-12, as compared to Rs.13837.40 Lacs during the previous year 2010-11.

3. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

3.1 Raw Materials and Packing Cost

The Raw Material Consumed to Sales is 55.42% during the year under review as compared to 69.99% in the previous year. The Consumption of Packing Material Cost to Sales decreased to 0.72% in the year 2011-12, from 0.82% in the year 2010-11.

3.2 Interest Cost

The Financial Cost in the year 2011-12 was at Rs.1016.61 Lacs as against Rs. 692.49 Lacs in 2010-11.

4. OPPORTUNITIES AND THREATS

4.1 OPPORTUNITIES

- With the rich experience of the Promoters of the Company in Meat Industry and having a sound network in the Global Market, the Company will definitely continue to achieve its targets of being a leader in this field.