

15th ANNUAL REPORT

2007-2008

HILLOCK AGRO FOODS (INDIA) LIMITED

REGD.OFFICE : 9,SHIV SHANKALP SOCIETY,
NR.NARANPURA POST OFFICE,
NARANPURA,AHMEDABAD-380 013

WORKS : SANTEJ-VADSAR ROAD,
VILLAGE-SANTEJ,
TA.KALDEL, DIST. GHANDHINAGAR.

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of Hillock Agro Foods (India) Limited will be held on 30th September, 2008, Saturday at 10.30 a.m. at 9, Shiv Shankalp Society, Nr. Naranpura Post Office, Naranpura, Ahmedabad - 380 013 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2008, the Balance-sheet as at that date and the reports of the Directors and Auditors there on.
2. To appoint a Director in place of Mr. Dinesh Raval who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration :

SPECIAL BUSINESS

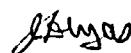
4. To consider and if thought fit, to pass with or without modifications, the following resolution as **Ordinary Resolution** :

"RESOLVED THAT pursuant to section 269,198,309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956(including any statutory modification or re-enactment thereof) and subject to such other approvals if any, as may be required the consent and approval of the company be and is hereby accorded to the reappointment of Mr. Pradip Vyas as Managing Director of the company for a period of 5 years w.e.f. 01.08.2008.

5. To consider and if thought fit, to pass with or without modifications, the following resolution as **Ordinary Resolution** :

"RESOLVED THAT pursuant to section 269,198,309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956(including any statutory modification or re-enactment thereof) and subject to such other approvals if any, as may be required the consent and approval of the company be and is hereby accorded to the reappointment of Mr. Harshad Vyas as Jt. Managing Director of the company for a period of 5 years w.e.f. 01.08.2008.

By order of the Board


J. D. Vyas
(Chairman)

Date : 3rd September 2008
Place : Ahmedabad

Registered Office
9, Shiv Shankalp Society,
Nr. Natanpura Post Office,
Naranpura, Ahmedabad - 380 013.

NOTES

- a) A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and on a poll, to vote instead of himself. A proxy need not be a member.
- b) Explanatory Statement pursuant to 173 (2) of the Companies Act, 1956 is annexed as a part of this Notice.
- c) Members/Proxies should bring the attendance slip, duly filled in for attending the meeting.
- d) Members/Proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.
- e) The Register of members and Share Transfer Books of the Company shall remain closed From Saturday 20th September, 2008 to Tuesday 30th September, 2008 (both day inclusive).

EXPLANATORY STATEMENT

[pursuant to Section 173 (2) of the Companies Act, 1956]

ITEM NO. 4

The Board of Directors of the company has been reappointed on revised salary of Mr. Pradip Vyas a Managing Director of the company w. e. f. 1st August, 2008 subject to approval of the members in the Annual General Meeting. Mr. Pradip Vyas has been on Board of Directors since long and looking after Administrative & HR functions of the company.

Mr. Pradip Vyas, Managing Director be paid monthly remuneration upto Rs.30,000/- p.m. and Board of Directors have authority to revised remuneration as and when need arises during his tenure for the period of 5 years.

Accordingly the resolution at item no.4 is proposed for approval of the Members for payment of remuneration to Mr. Pradip Vyas as Director.

Mr. Pradip Vyas is interested in the proposed resolution as it pertains to his own appointment Mr. Jashvant Vyas and Mr. Harshad Vyas are interested in resolution being relative of Mr. Pradip Vyas.

ITEM NO. 5

The Board of Directors of the company has been reappointed on revised salary of Mr. Harshad Vyas as Jt. Managing Director of the company w. e. f. 1st August, 2008 subject to approval of the members in the Annual General Meeting. Mr. Harshad Vyas has been on Board of Directors since long and looking after Administrative & HR functions of the company.

Mr. Harshad Vyas, Jt. Managing Director be paid monthly remuneration upto Rs.30,000/- p.m. and Board of Directors have authority to revised remuneration as and when need arises during his tenure for the period of 5 years.

Accordingly the resolution at item no.5 is proposed for approval of the Members for payment of remuneration to Mr. Deepak Mehta as Executive Director.

Mr. Harshad Vyas is interested in the proposed resolution as it pertains to his own appointment Mr. Jashvant Vyas and Mr. Pradip Vyas are interested in resolution being relative of Mr. Harshad Vyas.

NOTES

- a) A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and on a poll, to vote instead of himself. A proxy need not be a member.
- b) Explanatory Statement pursuant to 173 (2) of the Companies Act, 1956 is annexed as a part of this Notice.
- c) Members/Proxies should bring the attendance slip, duly filled in for attending the meeting.
- d) Members/Proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.
- e) The Register of members and Share Transfer Books of the Company shall remain closed From Saturday 20th September, 2008 to Tuesday 30th September, 2008 (both day inclusive).

EXPLANATORY STATEMENT

[pursuant to Section 173 (2) of the Companies Act, 1956]

ITEM NO. 4

The Board of Directors of the company has been reappointed on revised salary of Mr. Pradip Vyas a Managing Director of the company w. e. f. 1st August, 2008 subject to approval of the members in the Annual General Meeting. Mr. Pradip Vyas has been on Board of Directors since long and looking after Administrative & HR functions of the company.

Mr. Pradip Vyas, Managing Director be paid monthly remuneration upto Rs.30,000/- p.m. and Board of Directors have authority to revised remuneration as and when need arises during his tenure for the period of 5 years.

Accordingly the resolution at item no.4 is proposed for approval of the Members for payment of remuneration to Mr. Pradip Vyas as Director.

Mr. Pradip Vyas is interested in the proposed resolution as it pertains to his own appointment Mr. Jashvant Vyas and Mr. Harshad Vyas are interested in resolution being relative of Mr. Pradip Vyas.

ITEM NO. 5

The Board of Directors of the company has been reappointed on revised salary of Mr. Harshad Vyas as Jt. Managing Director of the company w. e. f. 1st August, 2008 subject to approval of the members in the Annual General Meeting. Mr. Harshad Vyas has been on Board of Directors since long and looking after Administrative & HR functions of the company.

Mr. Harshad Vyas, Jt. Managing Director be paid monthly remuneration upto Rs.30,000/- p.m. and Board of Directors have authority to revised remuneration as and when need arises during his tenure for the period of 5 years.

Accordingly the resolution at item no.5 is proposed for approval of the Members for payment of remuneration to Mr. Deepak Mehta as Executive Director.

Mr. Harshad Vyas is interested in the proposed resolution as it pertains to his own appointment Mr. Jashvant Vyas and Mr. Pradip Vyas are interested in resolution being relative of Mr. Harshad Vyas.

DIRECTORS' REPORT

To,
Dear Members,

Your Directors are pleased to submit this Fifteenth Annual Report together with the audited accounts of the Company for year ended 31st March 2008.

FINANCIAL RESULTS

	Amount Rs. 2007-2008	Amount Rs. 2006-2007
Turn Over	51,28,505	50,95,271
Profit/Loss before Depreciation	45,78,746	(96,186)
Less : Depreciation	10,72,624	10,72,624
Profit/Loss before Tax	35,06,122	(9,76,438)
Provision for Taxation	NIL	NIL
Profit/Loss after Tax	35,06,122	(9,76,438)

DIVIDEND

The Directors do not recommended any dividend for the year under review.

OPERATIONS

The Company is continuing its efforts for the revival of the business. In spite of very difficult financial position of the Company all efforts are being made to continue operations of the Company. The Company is presently not doing its own business in view of the financial difficulties faced by the Company. However, Company continued with contractual work and has achieved turnover of Rs.51.28 lacks during the year. The Company is vigorously pursuing recovery from old debtors.

The company has sold surplus land at its factory site and repaid fully dues of Ahmedabad Peoples' Co-op Bank Ltd. Ahmedabad.

FINANCE

Your Directors have to report that the Ahmedabad Peoples' Co-op Bank Ltd. Ahmedabad has continued its co-operation. The Directors have settled the accounts with Ahmedabad Peoples' Co-op Bank Ltd. Ahmedabad and obtained their no due certificate.

EMPLOYEES

There was no employee drawing remuneration covered under Section 217(2A) of the companies Act. 1956 read with the Companies (Particulars of Employees) Rules,1975.

LISITING

The Company's equity shares have been listed the Stock Exchange at Ahmedabad (Regional), Mumbai and Chennai and the Company has not paid listing fees to the respective Stock Exchanges.

DIRECTORS

Mr. Dinesh Raval, Director of the company retires by rotation as Directors of the Company but being eligible offers themselves for re appointment.

AUDITORS

The present Auditors M/s Khandar & Parikh, Chartered Accountants, Ahmedabad, will retire at the Conclusion of the forthcoming Annual General Meeting. You are requested to consider their re-appointment.

The observation read with the notes to the accounts are self explanatory.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES / OUTGO

Information under 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 as per Annexure - " A " which is annexed herewith.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm

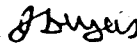
- (i) That in the preparation of the Annual Accounts the applicable accounting standards have been followed.
- (ii) The that Directors have selected such accounting policies and applied them consistently subject to
 - (i) and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended 31st March 2008.
- (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.
- (vi) That the Directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to thank the government authorities, bankers other business associates and shareholders for the co-operation and encouragement extended to the Company. The Directors also place on record their deep appreciation for the contribution made by the employees at all levels.

Place : Ahmedabad
Date : 03/09/08

For and On Behalf of the Board of Directors.


J. D. Vyas
Chairman

ANNEXURE

(Disclosure of particulars in the Report of Board of Directors) Rules, 1988 :

A. Conservation of Energy :

Power and Fuel Consumption 07-08		Santej 06-07
Electricity		
Purchased Unit	6,55,278	
Total Amount	32,60,655	29,43,684
Rate / Unit	4.97 Rs.	

- a. Disclosure of Particulars with respect to Conservation of Energy
- b. Additional Investment & proposal : Nil
- c. Impact of the measures at (a) & (b) above and consequent impact on the cost of production of goods : N.A.
- d. Total energy consumption and energy consumption per unit of production : N.A

B. Technology absorption

E Efforts made in technology absorption as per Form B.

C. Foreign Exchange Earning & Outgo :

- f. Activities relating to Exports etc. : Nil
- g. 1) Total foreign Exchange used : Nil
- 2) Total foreign Exchange Earned : Nil

FORM B

(Form for disclosure of particulars with respect to absorption)

Research and Development (R & D) :

- 1. Special areas in which R&D carried out by the Company.
- 2. Benefits derived as a result of the above R & D.
- 3. Future plan of action.

- 4. Expenditure on R & D.

Technology absorption, adaptation and innovation :

The production technology is Indigenously developed and the Company is carrying out its Activities with its trained and Experience staff.
There is no separate R & D.

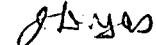
1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
2. Benefits derived as a result of the above efforts.

3. In case of imported technology:

- (a) Technology imported
- (b) Year of import
- (c) Has technology been fully absorbed?
- (d) If not fully absorbed, areas where
This has not taken place, reasons
Thereof and future plans of action.

The technology has been developed has fully absorbed the production indigenously and the company has technology. The company has not sued any Imported technology

For and On Behalf of the Board


J.D. Vyas

Chairman & Mg. Director

Place : Ahmedabad
Date : 03/9/08

HILLOCK AGRO FOODS (INDIA) LIMITED

ANNEXURE - "B"

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The company has been practicing principles governance. The company understands the rights of its Shareholders to information on performance of company and considers itself a trustee to its share holders. Corporate governance strengthens investors' trust and achieving its growth and profits.

2. BOARD OF DIRECTORS

The names and categories of directors on board their attendance at board meeting held during their financial year 2007-2008 and at last AGM and their other directorship held in other public companies and committee is given below.

Name	Category	No. of board meetings attended	Whether AGM attended	No. of directorship in other limited companies
Shri Jaswant D Vyas	Chairman & MD	5	Yes	Nil
Shri Pradip J Vyas	Director	5	Yes	Nil
Shri Harsad J Vyas	Director	5	Yes	Nil
Shri Dineshkumar M Raval	Director	5	No	Nil
Shri Rameshpuri S Goswami	Director	5	No	Nil
Shri Rupalbhai R Patel	Nominee Director	2	No	Nil

Name	No. of committee held in other committee Members	
	Chairman	Members
Shri Jaswant D Vyas	-	2
Shri Prdip J Vyas	-	-
Shri Harshad J Vyas	-	-
Shri Dineshkumar M Raval	-	3
Shri Rameshpuri S Goswami	1	2
Shri Rupalbhai R Patel	-	1

Details of Board Meeting During the year 2007-08

The Board meets at least once in a quarter to consider amongst other business the quarterly performance of the company, the Financial results and Segmentwise Results. The Board held 5 meeting during the financial year 2007-2008 on 30.04.2007, 31.08.2007, 03.09.2007, 31.12.2007, 31.03.2008.

Information placed before the Board of Directors

The following information is regularly placed before the Board of Business.

- a. Quarterly results of the company
- b. Material communications from Government bodies.
- c. Labour Relations.
- d. Material Transaction, which are not in the ordinary course of business.
- e. Disclosures by the management of material transaction, is any, with potential for conflict or interest.
- f. Compliance with all regulatory and statutory requirements.

3. Remuneration of Director(Non-mandatory)

The details of remuneration given the Chairman and Managing Director as Under.

Name of Directors	Remuneration
Shri Pradip J Vyas	1,44,000
Shri Harshad J Vyas	1,44,000

4. Audit Committee

The Board of Directors of the Company at their meeting held 5 times constituted the Audit Committee. Audit Committee comprise of Shri Rameshpuri S. Goswami, Shri Dineshkumar M. Rawal, and Shri Jaswantlal D. Vyas, being the Director of the Company. Shri Rameshpuri S. Goswami who has financial and accounting knowledge has been appointed as Chairman of the Audit Committee. The role and terms of reference stipulated by the Board of the Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors.

Name of Directors	No of Meetings
Shri Rameshpuri S Goswami	5
Shri Dineshkumar M Raval	5
Shri Jaswantlal D Vyas	5

5. Remuneration Committee

The Board of Directors of the Company at their meeting held on 31st March 2008 constituted the

Remuneration Committee comprising of three independent, Non Executive Directors Viz. Shri Rameshpuri S Goswami and Shri Dineshkumar M Raval.

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Whole time Directors, based on performance and defined criteria. At present the terms of remuneration Executive Directors are already approved by the shareholders at the General Meeting.

The Committee has been asked to look into revision of remuneration payable to Executive Directors in line with the industry levels.

6. Share Transfer cum Investor's Shareholder's Grievance Committee:

The Board of Directors of the company at their meeting held on 31st March 2008 constituted the shareholders the grievance committee. The Shareholders' grievance committee comprises of Shri Jaswantlal D Vyas, Chairman, Shri Rameshpuri S Goswami, Mr. Dineshkumar M Raval, being the Director and the said committee will look into the redressal of Shareholders Investors Grievance, if any, like Transfer / Transaction, Loss of Shares Certificates, non receipt of Annual Report etc.

7. ANNUAL GENERAL MEETINGS :

(i) The Details of the Last three annual general meeting held are as under :

Year	Location	Date
2004-05	9, Shiv Sankalp Society, Near Naranpura Post Office, Naranpura, Ahmedabad 380 013	30-9-05
2005-06	9, Shiv Sankalp Society, Near Naranpura Post Office, Naranpura, Ahmedabad 380 013	30-9-06
2006-07	9, Shiv Sankalp Society, Near Naranpura Post Office, Naranpura, Ahmedabad 380 013	29-9-07

(ii) Whether special resolutions were put through postal ballot exercise, details of voting pattern, person who conducted the postal ballot exercise : none of the special resolutions were required to be put through postal ballot.

(iii) Whether special resolution are proposed to be conducted through postal ballot No.

(iv) Procedure for postal ballot : (Not Applicable)

8. (a) The company has no material significant related party transaction i.e. transaction of the Company of material nature with its promoters, the directors or the management, their subsidiaries of relatives etc. that may have potential conflicts with the interest of the Company at large. The transaction with related parties were undertaken in the normal course of business and were undertaken in the normal course of business and were at terms and conditions, which were not prejudicial to the interest of the company.

(b) The Company has generally complied with the requirements of the Listing agreement with the stock Exchange as well as regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchange or any statutory authority on matters relating to capital markets during the last three years.

9. Share Transfer System :

The company has an in house share transfer system and has no Register and Transfer Agents for physical Share. Valid Share transfer, complete in all respects were approved and registered within the stipulated period.

(i) Date, time and Venue of the 15th Annual General Meeting :

9, Shiv Shankalp Society, Near Naranpura Post Office,
Naranpura, Ahmedabad 380 013

(ii) Bock Closure Date

20th September 2008 to 30th September 2008 (Both day inclusive)

(iii) Listing of Equity Shares on Stock Exchange :

Ahmedabad, Mumbai Stock Exchange.

(iv) Stock Code :

BSE Code : 530053

ASE Code : HILOCK Agr.

(v) Market price data : No trading at Ahmedabad , Chennai and Bombay Stock Exchanges during this current year.

(vi) Dematerialization of Shares :

Demate ISIN Number for NSDL and CDSL

INE055E01018

(vii) Financial Year

The Company follows April-March as its Financial Year. The results for every quarter are declared in the month following the quarter as per the Listing Agreement.

(viii) Means of Communication

Quarterly Annual Results are published by the Company in the English edition of Chankya ni Pothi and Gujarati edition of The News line.

(ix) Distribution of Shareholding (as on March 31 2008)

No. of Shares	No. of Shareholders
Up to 500	2478
501-1000	439
1001-2000	198
2001-3000	82
3001-4000	21
4001-5000	34
5001-10000	33
10001 & above	33
Total	3318

(x) Corporate Office & Shareholder's : 9, Shiv Sankalp Society, Near Naranpura Post Office.
Correspondent address Naranpura, Ahmedabad 380 013
Phone No. : 02764-286206/286207

(xi) Registrar and Transfer Agent : Pinnacle Share Registry (P) Ltd.
Ashoka Mill Compound, Naroda, Ahmedabad.

(xii) Plant Location : Santej-vadsar road, Village-santej, Taj – Kalol, Dist – Gandhinagar.

(xiii) Outstanding GDR/S ADR/S Warrants or any convertible instruments, CONVERSION DATE AND likely impact on equity – Nil.

(xiv) Investors Correspondence : For the convenience of the investors, transfer and other matters if physical form will be accepted at the registered office and if dematerialization will be accepted at the company's share Transfer Agent whose complete address is given elsewhere in this report.

We have adopted all mandatory requirements (Expect where not relevant or applicable) of the Corporate Governance. The Auditors' certification as required forms a part of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

As per the requirements of the Listing Agreement, as part of the Directors report Management Discussion & Analysis Report forming a part of the annual report to the members given below discussing the key issues :

1. INDUSTRY STRUCTURE

The company is passing through stiff competition but is able to sustain the competition. It is affected by and large small and medium ones as major shares are eaten by big one. The present scenario leads to the situation which helps the big industry to grow bigger and bigger and in future it may reflect the closure of many small and medium industries.

2. OPPORTUNITIES AND THREATS:

The success of the industry is largely dependent on nature. Vagaries of nature can drive the industry southward. The industry is predominantly run by individual farmers who are not adequately knowledgeable in modern methods of culture.

The company is facing financial problems and negotiates with bank to settle the dues. At present company is doing only job-work for lack of working capital.

3. PRODUCTWISE PERFORMANCE:

The Company is mainly doing Job Work for other parties.

4. INTERNAL CONTROL SYSTEM:

The Company has a proper strong independent and adequate system of internal controls to endure that all the assets are safeguards protected against loss from unauthorized use or disposition and that transactions are authorized recorded and reported correctly. The internal control system are being designed to ensure that the financial and other records are reliable for reporting financial statements and other data, and for maintaining account ability of assets.

**5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO
OPERATIONAL PERFORMANCE AND OUTLOOK:**

The Sales for the year ended on March 31 2008 is Rs.51,28,505 - as compared to Rs.50,95,271 for the year ended on March 31 2007. The Company's net profit for the year ended at March 31 2008 is Rs.35,06,122/- as compared to net loss of Rs.9,76,438 for the year ended March 31 2007.

6. HUMAN RESOURCES

The Industrial Relations were cordial throughout the year with no incidence of strikes or lockouts.

7. CAUTIONARY STATEMENT

Certain Statements in "Management Discussion and Analysis" section relation to estimates, projections and expectations may be forward looking within meaning of applicable laws and regulations. The actual results could differ materially from what the directions envisage in terms of the future performance and outlook. Important factors that can affect the company's operation include drought or unfavorable monsoons, change in government policies, tariff barriers delay in registration changes in conditions in the domestic and overseas market and other related factors.

AUDITOR'S REPORT

TO,
THE MEMBERS OF HILLOCK AGRO FOODS (INDIA) LIMITED.

1. We have audited the attached Balance sheet of HILLOCK AGRO FOODS (INDIA) LIMITED as at 31st March 2008, Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report) order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
 - (1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - (2) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books;
 - (3) The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - (4) In our opinion, the Balance sheet, Profit and Loss account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; *except As-22 in respect of Deferred Tax & As 15(revised) and above disclosures as required by the said As-15 are not complied with.*

The company has not made provision for Deferred Taxation as per As-22, due to carried forward losses.
Subject to Note 16.

- (5) On the basis of the written representations received from the Directors, as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
- (6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008,
 - ii) In the case of the Profit & Loss account, of the Loss of the Company for the year ended on that date, and
 - iii) In the case of the Cash Flow Statement, of cash flows for the period ended on that date.

DATE: 26/08/08
PLACE: AHMEDABAD

FOR, KHANDHAR & PARIKH
CHARTERED ACCOUNTANTS

N. M. Khandhar

NAINESH M KHANDHAR
(PARTNER)



Annexure referred to in Paragraph 5 of our report of even date:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed asset.

(b) As explained to us, management has physically verified fixed assets during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its Fixed Assets. No material discrepancies were noticed on such physical verification.

(c) As explained to us, the company has disposed off surplus land during the year as detailed in note no 3

2. During the year, the company has stopped its own manufacturing & has carried out job work on behalf of other parties & Company did not have any inventory during the year under review. Hence, this clause not applicable.

3. In our opinion & according to the information & explanations given to us the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

In our opinion & according to the explanation given to us the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except Loan of Rs. 153.81 lacs from the Directors of the company, terms of loans are not detrimental to the interest of the company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of stores, including components, Fixed Assets and sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. There is no such transaction that needs to be entered into a register in pursuance of section 301 of the Act.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in terms of provisions of Sections 58A, 58A-A or any other relevant provisions of the Act, and the rules framed hereunder.

7. The company has no internal audit system.

8. The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956.

9. a According to the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education Fund, Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities.

- b According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Excise Duty, ESI, Wealth Tax, Service Tax, Investor's Education Protection Fund etc. were in arrears as at 31/03/08 for a period of more than six months from the date they became payable.

10. In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred profit during the financial year covered by our audit.



11. Based on our audit procedures and as per the information and explanations given by the management, that against the bank liability of Rs. 304.74 lacs, company had opted for one-time settlement and have settled the total dues of Ahmedabad Peoples co-op bank by paying Rs.267.91 lacs. No due certificate from Ahmedabad Peoples coop bank has been received.

12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, hence clause no(xii) of paragraph 4 of the Order is not applicable to the company.

13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause no. (xiii) of the paragraph 4 of the Order is not applicable to the company.

14. According to explanations and information given to us, the company is not dealing in or trading in securities, debentures or other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.

15. According to the information & explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions.

16. According to the information & explanations given to us and on an overall examination, we report that the company has not taken any loan during the year.

17. According to the Cash Flow Statement & other records examined by us and the information and explanations given to us and on an overall basis funds raised on short term basis, prima facie, have not been used during the year for long term investment.

18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.

19. According to information & explanations given to us the company has not issued Debentures

20. The company has not raised any money by public issue during the year

21. To the best of our knowledge & belief & according to the information and explanations given to us & as certified by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

DATE: 26/08/08
PLACE: AHMEDABAD


FOR, KHANDHAR & PARIKH
CHARTERED ACCOUNTANTS

N. M. Khandhar

NAINESH M KHANDHAR
(PARTNER)



BALANCE SHEET AS ON 31st MARCH, 2008				
PARTICULARS		SCHEDULE	For the year 31st March, 2008 Rs.	For the year 31st March, 2007 Rs.
1. SOURCES OF FUNDS:				
A. Shareholders Funds :				
i) Share Capital		I	40106000	40106000.00
ii) Reserves & surplus.			NIL	0.00
B. Loan Funds :				
i) Secured Loans		II	130501	30606253.00
ii) Unsecured Loans		III	15381400	1641400.00
Total Rs.			55617901	72353653.00
2. APPLICATION OF FUNDS :				
A. Fixed Assets :				
I) Gross Block	27490165	IV		
Less : Depreciation	9178223			
TOTAL	18311942		18311942	21569464.00
B. Investments		V	6350000	6741625.00
C. (a) Current Assets, Loans And Advances :		VI		
(1) Current Assets	1704858			1569290.00
(2) Loans & Advances	4200798			13956599.00
Less : (b) Current Liabilities & Provisions	9358604	VII		9398353.00
NET CURRENT ASSETS (A - B)	(3452948)		(3452948)	6177536
(D) Miscellaneous Expenditure : (To the extent not written off or Adjusted)		VIII	0	0.00
(E) Profit and Loss Account				
Previous Year	37915029			
less : profit of current year	(3506122)		34408907	37915028.00
TOTAL :			55617901	72353653.00
<p>As per our separate Report of even Date On Behalf of the Board of Directors</p> <p>FOR, KHANDHAR & PARIKH Chartered Accountants</p> <p><i>N.M. Khandhar</i> NAINESH KHANDHAR Partner</p> <p><i>J.D. Vyas</i> JASHWANTLAL D VYAS Chairman</p> <p><i>Pradip J Vyas</i> PRADIP J VYAS Vice Chairman</p> <p><i>P.S. Vyas</i> HARSHAD J VYAS Jt. Mg. Director</p> <p>Place : Ahmedabad Date : 26/08/08</p>				

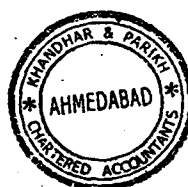
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008			
PARTICULARS	SCHEDULE	For the year 31st March, 2008 Rs.	For the year 31st March, 2007 Rs.
INCOME			
Job work Income		5128505	5095271
Other Income		4579222	32110
Closing Stock		0	0
TOTAL Rs.		9707727	5127381
EXPENDITURE			
Opening Stock of Finished Goods		0	0
Purchases of Traded Goods		0	0
Raw Material Consumed		0	0
Packing Material Consumed		0	0
Travelling Exp		0	5325
Advertisement Exp		0	0
Freight & Forwarding		0	0
Sales Promotion		0	0
Payments to Employees		1062673	1095753
Vehical Exp		48300	45673
Stores & Spares		0	0
Power & Fuel		3260655	2943684
Misc. Expenses		190624	310531
Fiancial Expenses (Bank Intrest & Other Fin. Chg)		18836	24890
Repairs & Maintanance		224206	156485
Audit Fees		16854	16854
Director's Remmuneration		288000	432000
Preliminery Expenses W/F		0	0
Deferred Revenue Exp. W/F		0	0
Depreciation		1072624	1072624
Profit before prior period & extra ordinary items		6182772	6103819
prior period items (As per note no.11)		18833	
TOTAL Rs.		6201605	
Profit / Loss Before Taxation		3506122	(976438)
Add : Provision for Taxation		Nil	Nil
Net Profit / loss		3506122	(976438)
As per our separate Report of even Date On Behalf of the Board of Directors			
FOR, KHANDHAR & PARIKH Chartered Accountants <i>N. M. Khandhar</i> NAINESH KHANDHAR Partner Place : Ahmedabad Date : 26/08/08		<i>J. Vyas</i> JASHWANTLAL D VYAS Chairman <i>Pradip J. Vyas</i> PRADIP J VYAS Vice Chairman <i>H. J. Vyas</i> HARSHAD J VYAS Jt. Mg. Director	

SCHEDULES OF BALANCE SHEET AS ON 31st MARCH, 2008

PARTICULARS		SCHEDULE	For the year 31st March, 2008 Rs.	For the year 31st March, 2007 Rs.
SCHEDULE I				
SHARE CAPITAL				
Authorised : 50,00,000 Equity Shares of Rs. 10/- Each			50000000	50000000
Issued Subscribed & Paid Up 40,10,600 Equity Shares of Rs. 10/- Each			40106000	40106000
Fully paid Up			40106000	40106000
SCHEDULE II				
SECURED LOANS				
Cash credit facilities against security of vehicles			130501	131534
Cash Credit Facility from Co. Op. Bank (Secured Against Hypothecation of Sundry			0	13802867
Debtors & personal Guarantee of Directors.			0	8909953
Term loan from Co. Op. Bank (Secured Against Hypothecation of Plant & Machinery & Personal Guarantee of Director).			0	7761899
Term loan from Co. Op. Bank (Secured Against Hypothecation of Plant & Machinery & Personal Guarantee of Director).			0	7761899
			130501	30606253
SCHEDULE III				
UNSECURED LOANS				
From Directors			15381400	1641400
From Others			NIL	NIL
			15381400	1641400
SCHEDULE V				
INVESTMENT				
Rockfort Cement Pvt Ltd 40000 shares @ Rs. 25 each			1000000	391625
Prem Udyog Pvt Ltd 100000 shares @ Rs. 10 each			1000000	1000000
Jovial Foods Pvt Ltd 87000 Shares @ Rs.50 each			4350000	4350000
			6350000	641625
				41076
TOTAL			6350000	682711

HILLOCK AGRO FOODS
(INDIA) LIMITED
SCHEDULE - IV
Block of Fixed Asset as on 31.3.2008

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.2007 Rs.	Addition Rs.	Deduction Rs.	Cost as on 31.03.2008 Rs.	As on 01.04.2007 Rs.	Provided During the Year Rs.	Deduction Depre. as on Rs.	Total 31.03.2008 Rs.	As on 31.03.2008 Rs.	As on 31.03.2007 Rs.
1	Land	3444414	44467	2229365	1259516	0	0		0	1259516	3444414
2	Factory Building	13090143			13090143	3083660	437210		3520870	9569273	10006483
3	Plant & Machinerles	9332858			9332858	3340524	443311		3783835	5549023	5992334
4	Furniture & fixtures	119647			119647	75498	7574		83072	36575	44149
5	Office Equipments	71771			71771	54062	3409		57471	14300	17709
6	Computer	218886			218886	218885	0		218885	1	1
7	Vehicle	415708			415708	304946	39492		344438	71270	110762
8	Electrical Installation	2751122			2751122	947317	130678		1077995	1673127	1803805
9	Tools & Equipments	197378			197378	70374	9375		79749	117629	127004
10	Laboratory Equipments	33136			33136	10333	1575		11908	21228	22803
	Total Rs.	29675063	44467	2229365	27490165	8105599	1072624	0	9178223	18311942	21569464
	Previous year Rs.	29675063.00	0.00	0.00	29675063.00	7032975.00	1072624.00	0.00	8105599.00	21569464.00	22642084.00



PARTICULARS		For the year 31st March, 2008 Rs.	For the year 31st March, 2007 Rs.
SCHEDULE-VI			
Stock in trade			0
Raw Materials			
Finished Goods			
Packing Materials			
(At Cost or Market whichever is Lower)			
Sundry Debtors (Unsecured, Considered Good)			
More than Six Months	408609		
Others	690290	1098899	1420219
Cash & Bank Balances			
Bank Balances			11020
Balance with Scheduled Bank In Current A/c.	11245		
(Maximum Balance during the year is Rs.11302)			
(Previous Year Balance Rs.27771)			41124
Balance with Co. Op. Bank in Current A/c.	424364		
(Maximum Balance during the year is 655925)			
(Previous Year Balance Rs. 2077213)			
Cash On Hand	170350	605959	96927
		1704858	1569290
(B) LOANS & ADVANCES			
(Unsecured)			
Advances recoverable in Cash or kind		4200798	13956599
		5905656	15525889
SCHEDULE VII			
CURRENT LIABILITIES			
Sundry Creditors for goods & expenses	9031248		
Provisions	327356	9358604	9398353
SCHEDULES VIII			
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
Preliminary Expenses			
Deferred Revenue Expenses			
SCHEDULE IX			
SALES			
Sales of Goods received in lieu of Jobwork		0	
Job work Charges		5128505	5095271
		5128505	5095271
SCHEDULE X			
OTHER INCOME			
Interest		30018	0
Kasar/Vetav		9475	31378
Other Income		3683093	732
Profit on sale of land		856636	
TOTAL		4579222	32110



SCHEDULE – IX:

NOTES FORMING PART OF THE ACCOUNTS AS ON 31st MARCH 2008

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Accounting

The accompanying financial statements have been prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act, 1956 (The Act).

2. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

3. Fixed Assets and Depreciation

Fixed Assets are stated at cost of acquisition.

Depreciation for the year has been provided at the rates and in the manner specified in schedule XIV of the Companies Act, 1956 on Straight Line Method on all assets.

During the year, the company has disposed off surplus land ad measuring 7804 sq mtrs for Rs. 30.86 lacs. Cost of above land was rs. 22.29 lacs

4. Inventories

Company does not have any inventory.

5. Investment:

Investments are valued at cost except that there is permanent diminution in the value of the same.

6. Sales & Job Work Charges:

During the year under the review, the company has stopped its own manufacturing & has carried out job work on behalf of parties. The same is accounted on the monthly basis quantity of processing done during the month.

7. Contingent Liabilities:

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have Been disclosed at their estimated value in the notes on accounts.

8. Preliminary & Deferred Revenue Expenses (Public Issue Exp.)

Preliminary & Public Issue Expenses (if any) are amortized in the same year.

9. Government Subsidy : The subsidy received against fixed assets is reduced from the cost of concerned fixed Assets.

10. Impairment of Fixed Assets :

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is, recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on appropriate discount factor.

The company has carefully considered the impact of Accounting Standard-28 pertaining to Impairment Loss. As the recoverable amount of assets is higher than the WDV of its Fixed Assets, no provision is made for Impairment of assets.

2X

11. Prior Period Items :

-Gram panchayat tax	17493
Interest exp	1340

	18833

12. Gratuity :

Gratuity & other retirement benefits are not provided.

13. Segmental Reporting :

The Company has only one business segment and its operation are also confined to one geographical segment i.e. India, As such, no further disclosure under Accounting Standard 17 "Segment Reporting" issued by the institute of Chartered Accountants of India is required.

14. Related Parties Disclosure :

The Company has identified following parties as related parties

A. Director – Key Management Persons

1. Mr. J. D. Vyas
2. Mr. P. J. Vyas
3. Mr. H. J. Vyas

(I) Following are the transaction with relation mentioned in A.

(Rs. In Lacs)

Sr. No,	Nature of Transaction	Associate Company	Director-Key Management Persons	Total
1.	Loan Given	----	-----	---
2.	Loan Received	-----	153.81	153.81
3.	Directors Remuneration		2.88	2.88

15. Earning Per Share :

Earning per share is computed based on Following

PARTICULARS	2007-08	2006-07
Profit / Loss after Tax	3506122	(-) 976438
Nominal Value of Shares (Rs.)	10	10
Number of Equity Shares	40,10,600	40,10,600
Earning Per Shares (Rs.)	0.87	(-)0.24

16. Deferred Tax Liability :

Deferred taxation has not been calculated, as the Company has unabsorbed losses of previous years and due to uncertainty of the sufficiency of future taxable profit.

17.Going Concern :

Company had carried out manufacturing activities on job work basis during the year & has settled the outstanding loan by paying Rs. 267.91 lacs To Ahmedababd People Coop bank Ltd .against outstanding financial facilities

18.Provision for Income Tax :

Company has not provided for Incometax or MAT as the same is not applicable because of accumulated losses and unabsorbed depreciation.

B. NOTES FORMING PART OF THE ACCOUNTS:

1.Previous Years Figures have been regrouped and rearranged wherever necessary and they are not comparable with the Current years Figures.

2.Payments to Auditors are as under:

			2007-2008	2006-2007
RUPEES	RUPEES	Audit Fees		
16,854	16,854			
	Taxation Matter		NIL	NIL
TOTAL Rs.			<u>16,854</u>	<u>16,854</u>

3.Balances of Receivables, Other Current Assets, Loans and Advances, Creditors, Current Liabilities are shown on the basis of book value, and subject to confirmation.

4.In the opinion of the Board of Director Current Assets and Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.

5.Payments to Directors:

Particulars	2007-2008	2006-2007
Remuneration	288000	432000
TOTAL Rs.	<u>288000</u>	<u>432000</u>

.The Company has not provided for the income tax due to losses incurred in the previous years.

FOR KHANDHAR & PARIKH

N.M. Khandhar

NAINESH M KHANDHAR
(PARTNER)

PLACE : AHMEDABAD
DATE: 26/08/08

FOR HILLOCK AGRO FOODS(INDIA) LTD

Pradya
DIRECTOR

Pradyo J. Vora
DIRECTOR

PLACE : AHMEDABAD
DATE : 26/08/08

I. CAPACITY PARTICULARS		KGS.	LICENSED CAPACITY	INSTALLED 2007-08	INSTALLED 2006-07
Wheat Crushing		Kgs.	N.A.	24000000	24000000
Besan		Kgs.	N.A.	6000000	6000000
II. PRODUCTION PARTICULARS		KGS		QUANTITY 2007-08	QUANTITY 2006-07
Wheat Crushing		Kgs.		NIL	NIL
Besan		Kgs.		NIL	0
III. PACKING MATERIAL CONSUMED PARTICULARS			2007-08 Rs.		2006-07 Rs.
Packing Material			NIL		NIL

V (a) Earnings in foreign exchange Rs. NIL (Previous year Rs. NIL).
(b) Expenses in foreign exchange Rs. NIL (Previous year Rs. NIL)

VI CIF Value of import Rs. NIL (Previous year Rs. NIL):

As per our separate Report of even Date On Behalf of the Board of Directors .

FOR, KHANDHAR & PARIKH
Chartered Accountants

N.M. Khandhar
NAINESH M KHANDHAR
Partner



J. D. Vyas
ASHWANTLAL D VYAS

Chairman & Mg. Director

Pradip J. Vyas
PRADIP J VYAS

Vice Chairman & Jt. Mg. Director

H. S. Vyas
HARSHAD J VYAS

Jt. Mg. Director

Place : Ahmedabad

Date : 25/08/08

C. Information pursuant to Part IV of Schedule Vi of the Companies Act, 1956 :
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	04- 1993 of 1993-94	State Code	04
Balance Sheet Date	31.03.2008		

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total liabilities	64976.50	Total Assets	64976.50
Sources of Funds			
Paid-up Capital	40106	Net Profit of the Current Year	3506.12
Secured Loans	130.50	Unsecured Loans	15381.40
Applications of funds			
Net Fixed Assets	18311.94		
Net Current Assets	(3452.94)		
Accumulated Losses	34408.90		

IV Performance of Company (Amount in Rs. Thousands)

Turnover**	5128.50	Total Expenditure	NIL
Profit before tax	3506.12	(to be capitalised)	
Profit after tax	3506.12		
Earnings Per Share	N.A.	Dividend Rate(%)	NIL

V. Generic Names of three Principal Products of Company (as per monetary terms)

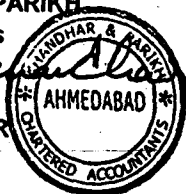
Product Description:	Item Code No.(ITC Code)
Wheat or Meslin Flour	1101.00
Cereal Flours other than Wheat or Meslin Flours	1102.00

As per our separate Report of even Date

On Behalf of the Board of Directors

FOR, KHANDHAR & PARIKH
Chartered Accountants

NAINESH KHANDHAR
Partner



JASHWANTLAL D. VYAS Chairman & Mg. Director

PRADIP J. VYAS Vice Chairman & Jt. Mg. Director

HARSHAD J. VYAS Jt.Mg.Director

Place : Ahmedabad

		31st March 2007	31st March 2008	31st March 2009
		RUPEES	RUPEES	RUPEES
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit/Loss before tax and extraordinary items	3506123		(976438)
	Adjustments For :			
	Depreciation	1072624		1072624
	Misc. Expenses Amortised	0		0
	Loss on Sale of fixed Assets	0		0
	Other Income	(4569747)		(32110)
	Sundry Balances Appropriated		9000	64076
	Operating Profit before Working Capital Chnges			
	Adjustment For :			
	Current Assets			
	Current Liabilities			
	Increase / Decrease in Net Current Assets		10037372	441150
	Cash Generated from Operations.	NIL		NIL
	Direct Taxes Paid	NIL		NIL
	Cash Flow before Extraordinary Items	NIL		NIL
	Interest Income	30018		32110
	Other Income	NIL		NIL
			30018	32110
	Net Cash from operating activities		10076390	537336
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of fixed assets/Ad. Against	NIL		NIL
	Sale of fixed Assets	3041531		NIL
	NSC matured	nil		41076
	Addition of Investments	0		NIL
	Net Cash used in investing activities		3041531	41076
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Bank Borrowings	(26401033)		(724550)
	H.P.Installments Paid			0
	Unsecured Loans	13740000		180000
	Inter Corporate Loans	NIL		NIL
	Misc.Expenditure Incurred	NIL		NIL
	Dividend on Equity Share Capital	NIL		NIL
	Net Cash from financing activities		(12661033)	(544550)
	Net increase in Cash and Cash equivalents		456888	33862
	Cash and Cash equivalents at beginning of the year		149071	115209
	Cash and Cash equivalents at close of the year		605959	149071

As per our separate Report of even Date

On Behalf of the Board of Directors

FOR, KHANDHAR & PARIKH
Chartered AccountantsNAINESH KHANDHAR
Partner

JASHWANTLAL D VYAS

Chairman & Mg. Director

PRADIP J VYAS

Vice Chairman & Jt. Mg. Director

HARSHAD J VYAS

Jt. Mg. Director

Place : Ahmedabad
Date 26/08/08

Notes to the Cash flow Statement for the year ended on 31/03/08

A	Adjustment for change in Working Capitals			
	Sundry Debtors	2006-07	2007-08	
	Loans & Advances	1420218.75	1098898.75	
		13956599.00	4200798.00	
	Current Provisions & Liabilities	15376817.75	5299696.75	
	Net Working Capital Assets	9398353.09	9358603.89	
B	Decrease In working Capital	5978464.66	(4058907.14)	10037371.80
			10037371.80	
	Cash and Cash equivalents include:			
	Cash and Bank Balance			
C	The Cash flow statement has been prepared in accordance with the requirements of Accounting Standard-3- "Cash flow Statement" issued by the Institute of Chartered Accountants of India and the Listing Agreement with stock exchanges.			
D	Previous year's figures have been regrouped wherever necessary to conform to this year's classification.			

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of HILLOCK AGRO FOODS (INDIA) LIMITED:

1 We have reviewed the Compliance of conditions of Corporate Governance by HILLOCK AGRO FOODS (INDIA) LIMITED for the year ended 31st March 2008, as stipulated in Clause 49 of the listing Agreement of the said Company with the Stock Exchanges, with the relevant records and documents maintained by the Company and furnished to us.

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

3 In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has generally complied with the conditions of the corporate governance as stipulated in the above mentioned listing agreement except default in payment made for listing fees with Ahmedabad Stock Exchange, Bombay Stock Exchange & Madras Stock Exchange.

4 We have not received representation from the share transfer agent regarding investor grievance and to that extent we cannot comment to the same.

5 We further state that such Compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR, KHANDHAR & PARIKH
CHARTERED ACCOUNTANTS**

N. M. Khandhar

(PARTNER)



PLACE: AHMEDABAD

DATE: 26/08/08

HILLOCK AGRO FOOD (INDIA) LIMITED

Regd. Office: 9, Shiv shankalp Society, Nr. Naranpura Post Office,
Naranpura, Ahmedabad - 380 013.

ATTENDANCE SLIP

15th Annual General Meeting

Tuesday, the 30th September, 2008 at 10.30 A.M.

Place: 9, Shiv shankalp Soc, Nr. Naranpura Post Office
Naranpura, Ahmedabad - 380 013.

Signature of Member/Proxy attending the meeting _____

Notes:

1. The meeting is only for members. Please, therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place.

HILLOCK AGRO FOOD (INDIA) LIMITED

Regd. Office: 9, Shiv shankalp Society, Nr. Naranpura Post Office,
Naranpura, Ahmedabad - 380 013.

FORM OF PROXY

I/We _____

Of _____ in the district of _____

Being member/s of the above named company hereby appoint _____

Of _____ in the district of _____

Or failing him _____

Of _____ in the district of _____

As my/our Proxy to attend and vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company, to be held on Tuesday, 30th September, 2008 and/or at any adjournment thereof.

Signed the _____ day of _____ 2008.

Signature _____

N.B. : This Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

**BOOK-POST
PRINTED MATTER**

If undelivered, please return to :

HILLOCK AGRO FOOD (INDIA) LIMITED

Regd. Office: 9, Shiv shankalp Society, Nr. Naranpura Post Office,
Naranpura, Ahmedabad - 380 013.