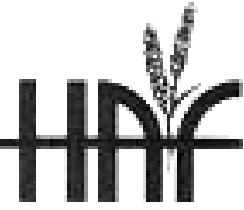


19th 2011 - 2012  
**ANNUAL REPORT**



Hillock Agro Foods (India) Ltd.



# Hillock Agro Foods (India) Ltd

## BOARD OF DIRECTORS

- |                              |                       |
|------------------------------|-----------------------|
| 1. Mr. Pradip J Vyas         | Managing Director     |
| 2. Mr. Harshad J Vyas        | Jt. Managing Director |
| 3. Mr. Dinesh M Raval        | Independent Director  |
| 4. Mr. Rameshpuri S. Goswami | Independent Director  |

## STATUTORY AUDITORS

To,  
M/s. Maharishi & Co.,  
Chartered Accountants,  
“Aparna”, Behind Jeevandeep Hospital,  
Beside Hotel Bansi,  
Indira Gandhi Marg,  
Jamnagar

## REGISTERED OFFICE

9 Shiv Sankalp Society,  
Nr. Naranpura Post Office,  
Naranpura,  
Ahmedabad-380 013, Gujarat.

## NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the members of Hillock Agro Foods (India) Limited will be held on Saturday, 29<sup>th</sup> September, 2012, at 10 : 30 a.m. at the Registered Office of the Company situated at 9 Shiv Sankalp Soc. Nr. Naranpura Post Office, Naranpura, Ahmedabad – 380 013 to transact the following business :

### Ordinary Business :

1. To receive, consider and adopt Audited Balance Sheet as on 31<sup>st</sup> March 2012 and Statement of Profit & Loss for the year ended on that day along with the Directors' and Auditors Report thereon.
2. To appoint Director in place of **Mr. Pradip J Vyas, Managing Director** who is liable to retire by rotation and being eligible, offers himself for reappointment.
3. To appoint Director in place of **Mr. Harshad J Vyas, Jt. Managing Director** who is liable to retire by rotation and being eligible, offers himself for reappointment.
4. To reappoint, the retiring auditors **M/s. Maharishi & Co. Chartered Accountants**, as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By order of the Board of Directors of  
**Hillock Agro Foods (India) Limited**

Place : Ahmedabad

Date : 30.05.2012

Sd/-  
**(Pradip J Vyas)**  
**Managing Director**

### NOTES:

1. A member entitle to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxies to be effective should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In Terms of Section 256 read with provisions of Articles of Association of the Company, Shri Pradip J Vyas and Shri Harshad J Vyas, Managing Directors of the company, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting. The Members are further requested to send all their communication relating to the share registry work to the Share Transfer and Registrar Agent of the Company M/s. Link Intime India Pvt. Ltd. at their office situated at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078

5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. The Register of the members and the share transfer book of the Company will remain closed from Friday, 21<sup>st</sup> September, 2012 to Friday, 28<sup>th</sup> September, 2012 (both days inclusive)
8. Members are advised to refer to the information provided in the Annual Report.
9. We request members to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.

### Details of Directors seeking appointment/reappointment at the Annual General Meeting

Director's Name	<b>PRADIP J. VYAS</b>
Date of Birth	24 <sup>th</sup> December, 1956
Date of Appointment as Director in Company	3 <sup>rd</sup> August, 1993
Qualification	Diploma Electrical Engineer
Experience in specific functional area	Family owned Business of Floor & Agro Products
Directorship held in other public limited Indian Companies (excluding Directorship in Hillock Agro Foods (India) Limited)	Nil
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/Chairmanship of Committees in Hillock Agro Foods (India) Ltd)	Nil

Director's Name	<b>HARSHAD J. VYAS</b>
Date of Birth	1 <sup>ST</sup> August, 1962
Date of Appointment as Director in Company	4 <sup>th</sup> September, 2002
Qualification	B.Com.
Experience in specific functional area	Family owned Business of Floor & Agro Products
Directorship held in other public limited Indian Companies (excluding Directorship in Hillock Agro Foods (India) Limited)	Nil
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/ Chairmanship of Committees in Hillock Agro Foods (India) Ltd)	Nil

## REPORT OF BOARD OF DIRECTORS

To,  
The Members  
Hillock Agro Foods (India) Limited

Your Directors are pleased to present the Nineteenth Annual Report together with audited accounts of the Company for the financial year ended on 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS AND OPERATIONAL REVIEW :

(Amt in ₹)

Sr.	Particular	2011-12	2010-11
1	<b>Total Revenue</b>	<b>11,36,900.00</b>	<b>1,89,312.00</b>
2	Depreciation and Amortization	29,761.00	16,448.00
3	Employee Benefit Expenses	13,000.00	--
4	<b>Profit / (Loss) Before Tax (PBT)</b>	<b>4,97,479.00</b>	<b>44,621.00</b>
5	Taxation: Current Tax	68,378.00	--
6	<b>Profit/(Loss) After Tax (PAT)</b> <b>(Carried forward to Balance Sheet)</b>	<b>4,29,101.00</b>	<b>44,621.00</b>

### Performance

The Company is abiding for resurgence of the financial position. Durign the year, the Company had achieved total revenue of Rs. 11,36,900 and net profit of Rs. 4,97,479 during the year under Report. The Company has already taken steps for restructuring and reorganization of business through process of merger / demerger.

### Dividend

With a view of accumulated losses of past years, the Board of Directors of your Company do not recommend any dividend for the year.

### Board's Responsibility Statement

In pursuance of Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

- a) That in the preparation of annual accounts, the applicable accounting standards have been followed :
- b) That They have selected such accounting policies and applied them consistently 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 accounting year and of the profit and loss account for that year;

- c) That they have 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 frauds and other irregularities;
- d) That they have prepared the annual accounts on a going concern basis subject to Note 16(b) of Notes on Accounts.

### **Particulars of Employees**

There are no employees in the Company drawing remuneration more than Rs. 5 Lacs per month or 60 Lacs per annum, the limits specified in the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Particulars of Employees) (Amendment) Rules, 2011 dated 31<sup>st</sup> March, 2011.

### **Directors**

Shri Pradip J Vyas & Shri Harshad J Vyas, Manaing Directors of the Company, are liable to retire by rotation at the ensuring Annual General Meeting and being eligible offer himself for reappointment. A brief Resume of Shri Pradip J Vyas & Shri Harshad J Vyas are attached with Notice of the AGM.

### **Corporate Governance**

Your Company has adopted Corporate Governance Practices. The Company believes that the Corporate Governance is all about effective management of relationship among constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulatory and the society at large. The Company has strong belief that this relationship can only be built and strengthen through corporate fairness, transparency, and accountability. A detailed report on Corporate Governance is attached to this Report. The Securities and Exchange Board of India (SEBI) has made efforts to strengthen the Clause 49 of the Listing Agreement. Accordingly, a separate Report on Corporate Governance as well as the Certificate from M/s. D Panchamia & Associates, Practising Company Secretaries are annexed to this Report of Board.

### **Auditors**

M/s Maharishi & Co., Chartered Accountants, retiring Auditors of the Company, being eligible for reappointment, offers themselves for reappointment. Members are requested to reappoint them as auditors of the Company to hold office from the conclusion of ensuing General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration.

## **Secretarial Audit**

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodicity by M/s. D. Panchamia & Associates, Practising Company Secretaries, and findings of such audit are satisfactory.

## **MERGER**

As the members are aware that the Board of Directors of the Company have approved the scheme of arrangement in form of Merger of the Company with Real Realty Management Company Pvt. Ltd. and reorganization of share capital of Hillock and demerger of food/agro business of Hillock into Deepvandana Tradelink Pvt. Ltd. Further, the company has applied for scheme of demerger and amalgamation on 13<sup>th</sup> April, 2011 and petition date on 16<sup>th</sup> May, 2011 w.e.f. 1<sup>st</sup> July, 2010. Final approval for the scheme is pending with the High Court.

## **Reply Of Board Of Directors on observations of Auditors**

The Auditors have observed that they have not received balance Confirmation of Trade Payables and Trade Receivables, Loans & Advances. The Board would like to clarify that the Company is in process of compliance of confirmation for this Amount during the current fiscal. The auditors have observed that the Company has not implemented internal audit system. The Board would like to clarify that the Company has commenced the internal audit system from the current fiscal. Further the Auditors have observed that the funds raised on short-term basis have been used for long term investment. The Board would like to clarify that the Company's long term asset as at 31<sup>st</sup> March, 2012 includes receivable for capital goods and other loans and advances which were due for payment but the company could not realized it in time and hence same have been classified it as non-current asset. Due to this funds of the company were blocked and company could not pay off its current liabilities. However, the company is in process of realization of these debtors. As soon as same will be realized, the company will pay off its current liability and the financial position of the company would become favorable. As regards to non-payment of professional tax and VAT & TDS, the Board would like to clarify that, the Board will make payment of all statutory dues in current fiscal. As regards the accumulated losses, the Board would like to clarify that the Board has already commenced the process of corporate restructuring through amalgamation/demerger to attain financial strength.

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

As the Company has not carried out any substantial commercial activities during the year 2011-2012, the details related to consumption of energy etc. are not required to be given. However, the Company is making efforts to conserve energy resources. There is no separate R & D activity carried out during the year.

### **Foreign Exchange Earnings And Outgo :**

<b>Foreign Exchange Earnings</b>	<b>:</b>	<b>Nil</b>
<b>Foreign Exchange Outgo</b>	<b>:</b>	<b>Nil</b>

### **Acknowledgment**

Your directors put on record their whole hearted gratitude to bankers, employees of the Company for their sincere efforts for the Company.

**Date :** 30.05.2012

**Place :** Ahmedabad

**By order of the Board of Directors  
For, HILLOCK AGRO FOODS (I) LIMITED,**

**Sd/-  
(Pradip Vyas)  
Managing Director**

**Sd/-  
(Harshad Vyas)  
Jt. Managing Director**



## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC SCENARIO

During the year under Report, due to worst market condition and lack of capital adequacy, deferment of new projects etc. However company is under process of the recovery and expected to be back on the track of Growth in next one year.

### INDUSTRY

The company is passing through taut rivalry phase but is proficient to maintain at this rivalry stage of the market. 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.

### SEGMENTS

The Company does not have any segments, and hence, comments are not required.

### PERFORMANCE

The performance of the Company is slightly improved as compared to the earlier years. The Company has earned Net Profit after Interest, Tax & Depreciation of Rs. 4,29,101/- as compared to the Profit of Rs. 44,621/- of previous year.

### INTERNAL AUDIT SYSTEM

The Company has commenced proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorised use or disposition and all transactions are authorised, recorded and reported correctly.

### OUTLOOK FOR 2012-13

The market with present economic condition is prophesied to continue and the Company will surely give new improvement on this part, the company's approach would be to revive its financial positions through corporate restructuring and new business lines.

### CAUTIONARY STATEMENTS

All statements made in Management and Discussion Analysis have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Management envisages in terms of performance and outlook. Market data, industry information etc. contained in this Report have been based on information gathered from various published and unpublished reports and their accuracy, reliability, and completeness cannot be assured.

Factors such as economic conditions affecting demand/supply and priced conditions in domestic & international markets in which the Company operates, and changes in Government regulations, tax laws, other statues and other incidental factors, may affect the final results and performance of the Company.

**Date :** 30.05.2012

**Place :** Ahmedabad

**By order of the Board of Directors  
For, HILLOCK AGRO FOODS (I) LIMITED,**

**Sd/-  
(Pradip Vyas)  
Managing Director**

**Sd/-  
(Harshad Vyas)  
Jt. Managing Director**

## ANNEXURE TO THE DIRECTORS' REPORT

### *CORPORATE GOVERNANCE*

Your directors present the Company's Report on Corporate Governance.

#### **1. Company's Philosophy on Corporate Governance :**

The Company believes in panorama with highest standard of good and ethical corporate governance practices to enhance the long-term shareholder value and protect the interest of shareholders, customers and others.

The main objectives of Corporate Governance are:

1. Maximizing long-term shareholder value in a legal and ethical manner.
2. Ensuring fairness, courtesy and dignity in all transactions within and outside the Bank with customers, investors, employees, competitors, government and the general public.
3. Open, transparent and merit-based management.

The Company is committed to following high standards of transparency, accountability and propriety. The Company has formed various committees of the Board of Directors to monitor the various aspects of the business.

#### **2. Board of Directors :**

##### Composition of the Board :-

The Company's Board of Directors comprises of Four Directors inclusive of (Chairperson and Managing Director), One Joint Managing Director and Two are Executive. Mr. Pradip J Vyas is the Chairman and Managing Director of the Company and he conducts the day to day Management of the Company, subject to the supervision and control of the Board of Directors. The Independent Directors on the Board are senior, Competent and highly respected persons from their respective fields :

##### Meetings :-

Your Company is regularly convening and holding the Board Meetings and all business transacted therein have been duly recorded in the Minutes book maintained for the purpose.

#### **3. Remuneration to Directors :**

Looking into the performance of the Company, the Company has not paid any remuneration, including sitting fees to any of its Directors. The Company does not have any Employee Stock Option Scheme at present.

4. Details of Directorship/Committee Membership or Chairmanship:

Name of the Director	Designation	Category	No. of Board meetings attended	Total No. of Directorships in public Companies #	Total No. of Committee membership **	Total no. of Board Chairmanship **
Pradip J. Vyas	Managing Director	Executive & Non-Independent	9	Nil	2	0
Harshad J. Vyas	Jt. Managing Director	Executive & Non-Independent	4	Nil	0	0
Dineshkumar M. Raval	Director	Non-Executive & Independent	9	Nil	2	0
Rameshpuri S. Goswami	Director	Non-Executive & Independent	9	Nil	2	2

# excluding Directorship in Hillock Agro Foods (India) Ltd.

\*\* including membership/Chairmanship of any Committee of Hillock Agro Foods (India) Ltd

**Information placed before the Board of Directors :**

The Company circulates alongwith Notice of the Board Meeting, a detailed Agenda which, interalia, contain following items, as and when applicable:

- Review the financial reporting process and disclosure of its financial information
- Review with the management, Annual financial statements before submission to the Board
- Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
- Review the company's accounting and risk management policies
- Review the company's accounting and management reporting systems and updates the same from time to time.
- Recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
- Review quarterly financial statement
- Review internal investigations made statutory/ Internal Auditors.
- Scope of Statutory/ Internal Audit.
- Review fixed deposits/repayment systems etc.
- Any other applicable functions as described in Corporate Governance.
- Review related party transactions.

The Board of Hillock Agro Foods (India) Limited is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board Meetings.

## 2. Materially significant related party transactions:

Company has made the disclosure of related parties of Hillock Agro Foods (India) Limited and its directors for the year ended on 31<sup>st</sup> March, 2012 and this does not have a potential conflict with the interests of the Company.

## 3. Composition of Various Committees:-

### AUDIT COMMITTEE :

#### a) Composition

The Company has set up Audit committee of **three Directors** -Shri Rameshpuri S. Goswami, Shri Dineshkumar M. Rawal, and Shri Pradeep J. Vyas. Shri Goswami and Shri Raval are Independent Directors.

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.

#### b) Terms of Reference:

The Terms of reference as stipulated by the Board to the Audit Committee are, as contained in the Clause 49 of the Listing Agreement are as follows:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information,
- 2) Review of Company's financial and risk management policies,
- 3) Review of accounting and financial policies and practices,
- 4) Review of internal control and internal audit systems,
- 5) Discussion with Internal Auditor and Statutory Auditors on any significant findings and follow-up thereon.
- 6) Reviewing the Company's financial statements and risk management policies.

### Shareholders' Grievance Committee

#### a) Terms of Reference:-

The Committee has been given responsibility to look after complaints, if any, of investors to redress the same expeditiously. The Committee also approves requests for issue of duplicate share certificates, splitting/consolidation of share certificates, transfer and transmission of shares etc.

#### b) Composition:-

The Share Transfer & Shareholders'/Investor Grievance committee comprises of Shri Rameshpuri S. Goswami, Shri Dineshkumar M. Rawal, and Shri Pradeep J. Vyas. Shri Goswami and Shri Raval are Independent Directors.

#### c) The Committee has resolved almost all complaints received during the year.

## Remuneration Committee

The Company is not making any payment to any of Directors, and hence, has not formed the Remuneration Committee.

## General Body Meetings

Details of the last three annual general meetings are given below:

Financial Year	Date	Time	Venue
2010-2011	29 <sup>th</sup> Day of September, 2011	10:30 am	9 Shiv Sankalp Soc nr Naranpura Post Office, Naranpura, Ahmedabad - 380006
2009-2010	29 <sup>th</sup> Day of September, 2010	10:30 am	9 Shiv Sankalp Soc nr Naranpura Post Office, Naranpura, Ahmedabad - 380006
2008-2009	30 <sup>th</sup> Day of September, 2009	10:30 am	9 Shiv Sankalp Soc nr Naranpura Post Office, Naranpura, Ahmedabad - 380006

## 4. Shareholder information

### Registered Office

9, Shiv Sankalp Soc nr Naranpura Post Office, Naranpura, Ahmedabad – 380006

### Annual General Meeting

The Annual General Meeting (AGM) of the Company will be held on Saturday, 29<sup>th</sup> September, 2012 at 10:30 A.M. at registered office of the Company, 9 Shiv Sankalp Soc, Nr. Naranpura Post Office, Naranpura, Ahmedabad - 380006

### Financial calendar

1. Annual General Meeting : 29<sup>th</sup> September, 2012
2. Results for Quarter ending 30<sup>th</sup> June, 2012 : First /Second week of August, 2012
3. Results for Quarter ending 30<sup>th</sup> September, 2012 : First /Second week of November, 2012
4. Results for Quarter ending 31<sup>st</sup> December, 2012 : First /Second week of February, 2013
5. Results for Quarter ending 31<sup>st</sup> March, 2013 : Last week of May, 2013

### Dates of book Closure

The Company's transfer books will be closed from Friday, 21<sup>st</sup> September, 2012 to Friday, 28<sup>th</sup> September, 2012 (both days inclusive) for purpose of Annual General.

### Stock Exchange Listing

The Company's shares are presently listed on the Bombay Stock Exchange Ltd, Mumbai.

## Stock code

	Code
Bombay Stock Exchange Ltd.	530053

## Registrar and Transfer Agents

Company has appointed Registrar and Transfer Agent, the name and address is as follow:

### **Link Intime India Pvt. Ltd.**

C-13, Pannalalsilk Mills Compound,  
LBS Marg, Bhandup (West),  
Mumbai - 400 078

## Share Transfer System

The processing activities with respect to requests received for share transfer are normally completed within 15 working days from the date of request.

## Distribution Schedule as on 31<sup>st</sup> March, 2012:

SHARE OR DEBENTURE	NUMBER OF HOLDERS	% OF HOLDERS
01 to 500	1633	63.1477
501 to 1000	476	18.4068
1001 to 2000	226	8.7394
2001 to 3000	100	3.8670
3001 to 4000	34	1.3148
4001 to 5000	34	1.3148
5001 to 10000	41	1.5855
10001 & above	42	1.6241
<b>TOTAL</b>	<b>2586</b>	<b>100.00</b>

## Dematerialization of shares

As on 31<sup>st</sup> March, 2012, total 26,55,350 equity shares of Company are in dematerialized mode. Members are requested to dematerialize their shares as early as possible, if not yet dematerialized, so as to get benefits of electronic & paperless equity shares.

Shareholders seeking any information/solution of any problem of query related to shares, share transfer; dematerialisation of shares etc. may kindly contact the Registrar and Transfer Agent of the Company.

**ADDRESS FOR CORRESPONDENCE :**

Company's Registered Office  
**Hillock Agro Foods (India) Limited**  
9 Shiv Sankalp Society  
Nr Naranpura Post Office, Naranpura,  
Ahmedabad - 380006

**Date :** 30.05.2012

**Place :** Ahmedabad

**By order of the Board of Directors**  
**For, HILLOCK AGRO FOODS (I) LIMITED,**

**Sd/-**  
**(Pradip Vyas)**  
**Managing Director**

**Sd/-**  
**(Harshad Vyas)**  
**Jt. Managing Director**



## 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 31<sup>st</sup> March 2012 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 there of, 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 & Madras Stock Exchange.
- 4 Management is unable to provide certificate from the Registrars and Share Transfer Agents of the company regarding grievances pending against the company. To that extent we are unable to comment on 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, D. Panchamia & Associates**  
Practising Company Secretaries  
ACS 27850 CP 10204

**PLACE: RAJKOT**

**DATE: 30.05.2012**

**Sd/-**  
**(Dipavali A Panchamia)**  
**(Proprietor)**

**DECLARATION REGARDING COMPLIANCE WITH**  
**CODE OF CONDUCT**

*[Clause 49(I)(d)]*

The Company has laid down and adopted "Code of Conduct" for all Board Members and core management team of the Company. The Company believes that such Code of Conduct is necessary for best Corporate Governance practices, and expects that all Board Members and Core management team adhere to this Code of Conduct.

It is hereby affirmed that all the Directors and Senior Management personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Date : 30.05.2012

By order of the Board of Directors  
For, HILLOCK AGRO FOODS (I) LIMITED,

Place : Ahmedabad

Sd/-  
(Pradip Vyas)  
Managing Director

Sd/-  
(Harshad Vyas)  
Jt. Managing Director

**MANAGING DIRECTOR/JOINT MANAGING DIRECTOR**  
**CERTIFICATION FOR FINANCIAL STATEMENTS**  
**(CLAUSE 49V OF LISTING AGREEMENT)**

We have reviewed financial statements and cash flow statements for the financial year 2011-2012 ended on 31<sup>st</sup> March, 2012, and to the best of our knowledge and belief:

- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) These statements together present true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations;
- (c) No transactions entered into by the Company during the aforesaid year, which are fraudulent, illegal or in violation of the Company's code of conduct.

Further, we accept that it is our responsibility to establish and maintain internal controls. We have evaluated the effectiveness of internal control system of the Company and have disclosed to the auditors and the Audit Committee, wherever applicable :

- (a) Deficiencies in the design or operation of internal controls, if any, which came to our notice and steps have been taken/proposed to be taken to rectify these deficiencies
- (b) Significant changes in the internal control during the year
- (c) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
- (d) Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Date : 30.05.2012

By order of the Board of Directors  
For, HILLOCK AGRO FOODS (I) LIMITED,

Place : Ahmedabad

Sd/-  
(Pradip Vyas)  
Managing Director

Sd/-  
(Harshad Vyas)  
Jt. Managing Director

Compliance Certificate as per provisions of Section 383A (1) (proviso) of the Companies Act, 1956

**To,**  
**The Members of**  
**M/s. HILLOCK AGRO FOODS (INDIA) LIMITED,**  
9 SHIV SANKALP SOCNR,  
NARANPURA POST OFFICE,  
NARANPURA  
**AHMEDABAD - 380013**

We have examined the Registers, Records, Books and Papers of **HILLOCK AGRO FOODS (INDIA) LIMITED** (CIN: L15400GJ1993PLC019930) as required to be maintained under the Companies Act, 1956 (The Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all Registers as stated in **Annexure 'A'** to this Certificate, as per the provisions and Rules made thereunder and all entries therein have been duly recorded.
2. The Company has not filed any Forms and Returns with the Registrar of Companies, Gujarat during the year under scrutiny.
3. The Company being a Public Limited Company, provisions of Section 3(1)(iii) are not applicable. However the members were not less than 7 (seven) at any time during the year under scrutiny. The Company had also the minimum paid up share capital as required for a public limited company in terms of the provisions of the Act.
4. The Board of Directors duly meet 9 (Nine) times on 28/04/2011, 25/05/2011, 21/07/2011, 12/08/2011, 03/09/2011, 12/11/2011, 09/01/2012, 06/02/2012 and 25/03/2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed passed in the Minutes Book maintained for the purpose. As explained to us, no circular Resolution was passed during the year under scrutiny.
5. During the year under scrutiny, the Company has closed its Register of Members & Share Transfer Books from 22<sup>nd</sup> September, 2011 to 28<sup>th</sup> September, 2011.
6. The Annual General Meeting for the year ended 31<sup>st</sup> March 2011 was held on 29<sup>th</sup> September, 2011 after giving notice to the members of the Company and the resolution passed thereat were duly recorded in the minutes book maintained for the purpose.

7. The Company has not convened any Extra Ordinary General Meetings during the financial year under scrutiny.
8. As explained to us, during the year under scrutiny, the Company has not advanced any loans to its directors or persons or firms or Companies referred to Section 295 of the Act.
9. As explained to us, during the year under scrutiny, the Company has not entered into contracts falling within the preview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301(3) of the Act regarding disclosure of interest by Directors.
11. As explained to us, there were no instances falling within the purview of section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, members or Central Government as the case may be
12. The Company has not issued any duplicate share certificates during the financial year
13. The Company
  - a) has not made allotment of securities during the year. As explained by the to us by the management, the Company has issued Share Certificates, generally from One month from the respective date of lodgment of each deed excepting those rejected on technical grounds/technical defects
  - b) has not declared dividend during the financial year, hence was not required to deposit any amount in a separate Bank Account
  - c) has not declared any dividend during the financial year under scrutiny, hence was not required to post any warrant for the dividend
  - d) was not required to transfer any amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed/unpaid for a period of seven years to Investor Education and Protection Fund.
  - e) has duly complied with, in general, the requirements of the Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The Company has not made any appointment of additional directors, alternate directors and directors to fill casual vacancy during the year under Certificate.
15. As explained by the management of the company, the Company has not appointed any Managing Director; Whole time Director/ Manager during the year under scrutiny.

16. The Company has not appointed any sole selling agents during the financial year.
17. As explained to us by the management, the Company was not required to obtain any approvals of the Central Government, Company Law Board, Registrar and/or such other authorities as prescribed under the various provisions of the Act,
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Shares during the year under scrutiny.
20. The Company has not bought back any shares during the period under scrutiny.
21. The Company does not have preference share capital and debenture in its capital structure; therefore, provisions of redemption of preference shares and debenture were not applicable.
22. During the period under scrutiny, there were no transactions necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As per explanation given to us, the Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of section 58A read with the Companies (Acceptance of Deposit) Rules, 1975 during the year under Certificate.
24. As explained to us, the amount borrowed by the company from its Directors during the financial year ending 31st March, 2012 is within the borrowing limits of the company.
25. As explained to us, the Company has not made any loans and investments or given guarantee or provided security to other body corporates during the year under scrutiny.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny
28. The Company has not altered the provisions of the Memorandum with respect to Name of the Company during the year under scrutiny

29. The Company has not altered the provisions of Capital Clause of the Memorandum during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny
31. As per explanation given to us, there was no prosecution initiated against or show cause notice received by the Company for alleged offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted any Provident Fund as stated in section 418 of the Act, and hence provisions are not applicable to it.

Place : Rajkot  
Date : 22.05.2012

**D. Panchamia & Associates,**  
Practising Company Secretaries,

**Sd/-**  
**(Dipavali A. Panchamia)**  
Proprietor  
**ACS: 27850 CP: 10204**

**ANNEXURE A**

**to**

**Compliance Certificate of HILLOCK AGRO FOODS (INDIA) LIMITED for the financial year 2011-12**

**The Company M/s. HILLOCK AGRO FOODS (INDIA) LTD has kept and maintained below mentioned Statutory Registers for the Financial Year 2011-12.**

- 1 Register of Members under Section 150.
- 2 Minutes Books containing minutes of the proceedings of General Meetings under Section 193 of the Act.
- 3 Minutes Books containing the minutes of the proceedings of Board Meetings under Section 193 of the Act.
- 4 Register of Directors, Managing Director, Manager and Secretary under Section 303 of the Act.
- 5 Register of Directors' Shareholding under Section 307 of the Act.
- 6 Register of particulars of contracts or Disclosure of Interest in other firms/companies in which director are interested

Place : Rajkot  
Date : 22/05/2012

**D. Panchamia & Associates,**  
Practising Company Secretaries,

**Sd/-**  
**(Dipavali A. Panchamia)**  
Proprietor  
**ACS: 27850 CP: 10204**



## Auditors' Report on Financial Statements

To,

The Members of HILLOCK AGRO FOODS (INDIA) LIMITED

1. We have audited the attached Balance Sheet of HILLOCK AGRO FOODS (INDIA) LIMITED ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss 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. Except as discussed in the following para 4, we 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), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. We have not received balance conformation of Trade Payables of Rs.65,78,033/-, Trade Receivables of Rs.9,50,250/-, and Loans & Advances of Rs.70,81,692/- and hence we are unable to satisfy ourselves as to balance of these accounts as at 31<sup>st</sup> March, 2012 and their classification as current & non-current.
5. Further we would also like to draw your attention to Note No. 16(b) relating to preparation of account on a going concern basis.

5. Further we would also like to draw your attention to Note No. 16(b) relating to preparation of account on a going concern basis.
6. Further to our comments in the paragraph 3 above, we report that:
- i. We have obtained all the information and explanations except stated as above, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, statement of profit and loss 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.
  - v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to conformation of balance, 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;
    - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
    - b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
    - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For Maharishi & Co.  
Chartered Accountants  
Firm Registration No.124872W

Sd/-  
Prashant Maharishi  
Partner  
Membership No.041452  
Signed at Ahmedabad on 30<sup>th</sup> May, 2012

## ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of HILLOCK AGRO FOODS (INDIA) on the financial statements for the year ended March 31, 2012]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) (a) The company has no inventory during the year.
- (iii) (a) As informed, 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. Accordingly, the provisions stated in paragraph 4 (iii)(b),(c) and (d) of the order are not applicable.
  - (e) The Company had taken loan from its directors covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 19.92 lakhs and the year-end balance of loans taken from such parties was Rs. 19.92.
  - (f) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
  - (g) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, no transactions made in pursuance of such contracts or arrangements exceeding value of Rs. five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) The company has no internal audit system.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. However the company has not deposited professional tax of Rs.7,020/-, VAT of Rs.45,250/-.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, except dues towards Professional Tax, VAT & TDS as stated above.
- (c) According to the records of the Company has no dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute.
- (x) The company has accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, no debentures have been issued by the company during the year.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For Maharishi & Co.  
Chartered Accountants  
Firm Registration No.124872W

Sd/-  
Prashant Maharishi  
Partner  
Membership No.041452

Signed at Ahmedabad, 30<sup>th</sup> May, 2012

Hillock Agro Foods (India) Ltd.

Balance Sheet as at March 31st, 2012

( Amount in ₹ )

Particulars		Note No.	As at 31st March, 2012	As at 31st March, 2011
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) <u>Share capital</u>	3	40,106,000	40,106,000
	(b) <u>Reserves and surplus</u>	4	-40,208,682	-40,637,783
			-102,682	-531,783
2	<b>Non-current liabilities</b>			
	(a) <u>Long-term borrowings</u>	5	1,991,600	1,791,600
3	<b>Current liabilities</b>			
	(a) Trade payables		6,578,033	6,783,685
	(b) <u>Other current liabilities</u>	6	52,270	7,020
			6,630,303	6,790,705
	<b>TOTAL</b>		<b>8,519,221</b>	<b>8,050,522</b>
II.	<b>ASSETS</b>			
	<b>Non-current assets</b>			
1	(a) <u>Fixed assets</u>			
	(i) Tangible assets	8	379,515	409,276
	(b) <u>Long-term loans and advances</u>	9	7,081,692	7,148,336
2	<b>Current assets</b>			
	(a) <u>Trade receivables</u>	10	950,250	1,621
	(b) <u>Cash and cash equivalents</u>	11	67,764	491,289
	(c) <u>Other current assets</u>	12	40,000	
	<b>TOTAL</b>		<b>8,519,221</b>	<b>8,050,522</b>
			-	-

For Maharishi & Co.,  
Chartered Accountants  
Firm Reg. No. 124872W

For and on behalf of Board of Directors

Prashant Maharishi  
Partner  
M. No. 41452

Pradip J Vyas  
Managing Director

Harshad J Vyas  
Jt Managing Director

Signed at Ahmedabad on 30th May, 2012

Hillock Agro Foods (India) Ltd.  
Profit and loss statement for the year ended March 31st, 2012

( Amount in ₹ )

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I. <a href="#">Revenue from operations</a>		905,000	-
II. <a href="#">Other income</a>		231,900	189,312
III. <b>Total Revenue (I + II)</b>		1,136,900	189,312
IV. Expenses:			
Employee benefits expense		13,000	
Depreciation and amortization expense		29,761	16,448
Other expenses		596,660	128,243
<b>Total expenses</b>		639,421	144,691
V. <b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		497,479	44,621
VI. Exceptional items		-	-
VII. <b>Profit before extraordinary items and tax (V - VI)</b>		497,479	44,621
VIII. Extraordinary Items		-	-
IX. <b>Profit before tax (VII- VIII)</b>		497,479	44,621
X Tax expense:			
(1) Current tax		68,378	-
XI <b>Profit (Loss) for the period (IX + X)</b>		429,101	44,621
XII Earnings per equity share:			
(1) Basic & Diluted		0.11	0.01

For Maharishi & Co.,  
Chartered Accountants  
Firm Reg. No. 124872W

For and on behalf of Board of Directors

Prashant Maharishi  
Partner  
M. No. 41452

Pradip J Vyas  
Managing Director

Harshad J Vyas  
Jt Managing Director

Signed at Ahmedabad on 30th May, 2012

Hillock Agro Foods (India) Ltd.

Cash Flow Statement for the year ended on 31st March, 2012

( Amount in ₹ )

Particulars		As at 31st March, 2012	As at 31st March, 2011
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/loss before tax and extraordinary items	429,101	44,621
	<b>Adjustment for:</b>		
	Depreciation	29,761	16,448
	Tax Expenses	68,378	-
	Interest Income	-40,000	-75,283
	Operating Profit before working capital changes	487,240	-14,214
	<b>Adjustment for:</b>		
	Increase/(Decrease) in Trade Payable	-205,652	49,206
	Increase/(Decrease) in Other Current Liabilities	45,250	-
	(Increase)/Decrease in Long Term Loans & Advances	-4,414	-568,417
	(Increase)/Decrease in Trade Receivable	-948,629	1,307,922
	Increase/Decrease in Other Current Assets	-40,000	-
	Cash Generated from Operations	-666,205	774,497
	Direct Taxes Paid	2,680	17,183
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>-663,525</b>	<b>791,680</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Increase/(Decrease) in Unsecured Loans	200,000	-750,000
	Interest Income	40,000	75,283
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>240,000</b>	<b>-674,717</b>
<b>D</b>	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-423,525</b>	<b>116,963</b>
	Cash and Cash Equivalents at beginning of the year	491,289	374,326
	Cash and Cash Equivalents at end of the year	67,764	491,289

For Maharishi & Co.,  
Chartered Accountants  
Firm Reg. No. 124872W

For and on behalf of Board of Directors

Prashant Maharishi  
Partner  
M. No. 41452

Pradip J Vyas  
Managing Director

Harshad J Vyas  
Jt Managing Director

Signed at Ahmedabad on 30th May, 2012



## Hillock Agro Foods (India) Ltd.

### 1 Nature of Operations

Hillock Agro Foods (India) Limited, incorporated on 03-08-1993 is engaged in manufacturing, processing and dealing as exporters for Floor, food Agro business.

### 2 Basis of Preparation

The financial statements have been prepared to comply in all material respects with the standards notified under The Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

## Note No. 2.1 - Significant Accounting Policies

### (a) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

### (b) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use, net of CENVAT recoverable. Financing costs relating to construction of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. Financing costs not relating to construction of fixed assets are charged to the income statements.

### (c) Depreciation

Depreciation is provided using the Straight Line Method as per the rates prescribed under schedule XIV of the Companies Act, 1956.

### (d) Inventories

As explained to us, the company has not done any commercial production during the year under audit so physical verification of inventory does not arise.

### (e) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### Sales of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty included in the amount of turnover (gross) are deducted from turnover (gross) for disclosure of net turnover in the P&L account.

**(f) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there are impairment indicators. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or decreased based on reassessment of recoverable amount, which is carried out if the change is significant. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**(g) Employee Benefits**

The company does not have any employee as at the end of the year and hence provision for retirement benefits are not done.

**(h) Segment Reporting**

The company is engaged mainly in the business of agricultural products. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standard) Rules, 2006, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical segment.

**(i) Income Taxes**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

As the company has unabsorbed depreciation and carry forward loss during the year in the absence of virtual certainty of future taxable profit the company has not recognised deferred tax asset.

**(j) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Note Particular

3 SHARE CAPITAL

(a) <u>Share Capital</u>	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
<u>Authorised</u> Equity Shares of ` 10/- each	5,000,000	50,000,000	5,000,000	50,000,000
<u>Issued</u> Equity Shares of ` 10/- each	4,010,600	40,106,000	4,010,600	40,106,000
<u>Subscribed &amp; Paid up</u> Equity Shares of ` 10/- each fully paid	4,010,600	40,106,000	4,010,600	40,106,000
<b>Total</b>	<b>4,010,600</b>	<b>40,106,000</b>	<b>4,010,600</b>	<b>40,106,000</b>

(b) <u>Particulars</u>	<u>Equity Shares</u>	
	Number	₹
Shares outstanding at the beginning of the year	4,010,600	40,106,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	4,010,600	40,106,000

- (c) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956  
The company does not have shareholder holding more than 5% of the shares.

4 RESERVE & SURPLUS

<u>Reserves &amp; Surplus</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
a. Surplus		
Opening balance	-40,637,783	-40,682,404
(+) Net Profit/(Net Loss) For the current year	429,101	44,621
<b>Total</b>	<b>-40,208,682</b>	<b>-40,637,783</b>

5 LONG TERM BORROWINGS

<u>Long Term Borrowings</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
<u>Unsecured</u> Loans and advances from directors of the company	1,991,600	1,791,600
<b>Total</b>	<b>1,991,600</b>	<b>1,791,600</b>

## 6 OTHER CURRENT LIABILITIES

<u>Other Current Liabilities</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Unpaid VAT	45,250	-
(b) Unpaid Professional Tax	7,020	7,020
<b>Total</b>	<b>52,270</b>	<b>7,020</b>

## 8 LONG TERM LOANS AND ADVANCES

<u>Other Current Liabilities</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
<b>(a) Deposit with parties</b>	-	-
Secured, considered good	-	-
Unsecured, considered good	924,220	924,220
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<b>924,220</b>	<b>924,220</b>
<b>(b) Adv. Recvbl. In Cash Or Kind for Value to be Recd.</b>		-
Secured, considered good	-	-
Unsecured, considered good	3,786,000	3,786,000
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<b>3,786,000</b>	<b>3,786,000</b>
<b>(c) Debtors for Capital Goods</b>		-
Secured, considered good	-	-
Unsecured, considered good	2,367,058	2,367,058
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<b>2,367,058</b>	<b>2,367,058</b>
<b>(d) Others</b>		-
Secured, considered good	-	-
Unsecured, considered good	4,414	71,058
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<b>4,414</b>	<b>71,058</b>
<b>Total</b>	<b>7,081,692</b>	<b>7,148,336</b>

9 **TRADE RECEIVABLES**

Trade Receivables	As at 31 March 2012	As at 31 March 2011
	₹	₹
Trade receivables outstanding for a period less than six months	-	-
Secured, considered good	-	-
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	-	-
Trade receivables outstanding for a period exceeding six months		
Secured, considered good	-	-
Unsecured, considered good	950,250	1,621
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	950,250	1,621
<b>Total</b>	<b>950,250</b>	<b>1,621</b>

10 **CASH AND CASH EQUIVALENTS**

Trade Receivables	As at 31 March 2012	As at 31 March 2011
	₹	₹
a. Balances with banks*	66,122	59,647
b. Cash on hand*	1,642	431,642
<b>Total</b>	<b>67,764</b>	<b>491,289</b>

11 **OTHER CURRENT ASSETS**

Other Current Assets	As at 31 March 2012	As at 31 March 2011
	₹	₹
<b>a. Loans and advances to related parties</b>	-	-
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful loans and advances		
<b>b. Others (specify nature)</b>		
Secured, considered good		
Unsecured, considered good	40,000	-
Doubtful		
Less: Provision		
<b>Total</b>	<b>40,000</b>	<b>-</b>

HILLOCK AGRO FOODS (INDIA) LIMITED

Note Particular

12 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
Sale of products	-	-
Other operating revenues	905,000	-
Less:	-	-
Excise duty	-	-
<b>Total</b>	<b>905,000</b>	<b>-</b>

13 OTHER INCOME

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
Interest Income	44,414	76,283
Amount Written Off	187,486	112,010
Other	-	1,019
<b>Total</b>	<b>231,900</b>	<b>189,312</b>

14 EMPLOYEE BENEFITS

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
Salary	13,000	-
<b>Total</b>	<b>13,000</b>	<b>-</b>

15 OTHER EXPENSES

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
Insurance Exp.	-	559
Legal Expenses	-	110,300
Audit Fees	-	16,545
Bank Charges	6	839
Listing Revocation Fees	579,654	-
Power & fuel	17,000	-
<b>Total</b>	<b>596,660</b>	<b>128,243</b>

(b) Payments to the auditor as	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
a. auditor		16,545
b. for taxation matters		
c. for company law matters		
d. for management services		
e. for other services		
f. for reimbursement of expenses		
<b>Total</b>	-	16,545

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 1 April 2011	Additions/ (Disposals)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	On disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	Balance as at 31 March 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets</b>									
Land	357,642	-	357,642	-	-	-	-	357,642	357,642
Furniture and Fixtures	119,647	-	119,647	105,794	7,574	-	113,368	13,853	6,279
Vehicles	415,708	-	415,708	415,708	-	-	415,708	-	-
Office equipment	71,771	-	71,771	67,698	3,409	-	71,107	4,073	664
Computers	242,886	-	242,886	225,682	17,204	-	242,886	17,204	-
Laboratory Equipments	33,136	-	33,136	16,633	1,574	-	18,207	16,503	14,929
<b>Total</b>	<b>1,240,790</b>	<b>-</b>	<b>1,240,790</b>	<b>831,515</b>	<b>29,761</b>	<b>-</b>	<b>861,276</b>	<b>409,275</b>	<b>379,514</b>



## Hillock Agro Foods (India) Ltd.

### 16 Other Notes

(a) Previous years figures are regrouped and rearranged wherever necessary to meet current year classification.

(b) **Going Concern**

The net worth of the company has eroded. However, the company expects to revive its financial position and expects to venture into some new area of business. The business plans are under consideration and when implemented it is expected that the same shall lead to improvement in its operational performance in future. Considering these facts, the accounts of the company are prepared on going concern basis.

Further, the company has applied for scheme of demerger and amalgamation on 13/04/11 and petition date on 16/05/11 with effect from 01/07/10. Final approval for the scheme is pending with the High Court.

**Hillock Agro Foods (India) Ltd.**  
9, Shiv Sankalp Society, Nr. Naranpura Post Office,  
Naranpura, Ahmedabad- 380 013, Gujarat

Groupings Forming Part of the Balance Sheet

Particulars	As at March 31st 2012		As at March 31st 2011	
Sch.No. <b>Liabilities</b>				
<b>1 Share Capital</b>				
<u>Authorised Share Capital</u>		50,000,000		50,000,000
Issued, Subscribed and Paid Up Capital		40,106,000		40,106,000
<b>Total</b>		<b>40,106,000</b>		<b>40,106,000</b>
<b>2 Reserve &amp; Surplus</b>				
<u>Profit &amp; Loss Account</u>				
Opening Balance		-40,637,783		40,682,404
Profit During the year		429,101		44,621
<b>Total</b>		<b>-40,208,682</b>		<b>40,637,783</b>
<b>3 Loans</b>				
<u>Unsecured Loans</u>				
H.J. Vyas	1,791,600		1,791,600	
Pradip J. V.	200,000			
<b>Total</b>		<b>1,991,600</b>		<b>1,791,600</b>
<b>4 Current Liabilities</b>				
<b><u>(i) Sundry Creditors</u></b>				
Adesh Trading Co.	34,518		34,518	
Airflow Engineers	24,815		24,815	
Anand Traders	94,000		94,000	
Ankur Enterprises	60,941		60,941	
Baba Nimkaroli Roller Flour Mills	30,522		30,522	
Bansal Brothers	-		60,912	
Choice Steel Traders	83,379		83,379	
DJNV & Co.	-		33,090	
Durga Oil & Dall Mill	1,236,306		1,236,306	
Ganesh Industrial Works	139,574		139,574	
Guj. Roller Flour Mill Association	-		1,100	
Hetal Traders	128,945		128,945	
Het Management Consultancy	-		2,000	
Indopol Food Processing Machinery	3,870		3,870	
Kamal Industriese	372,940		372,940	
Kasiram Trilockchand	-		-3,750	
Manish Kumar & Co.	127,364		127,364	

New Vaishali Electricals	25,324		25,324	
Parik Arunkumar Chimanlal	762,457		762,457	
Patel Kalpeshbhai Somabhai	7,050		7,050	
Rakesh Kumar Pradeepkumar	123,028		123,028	
Raman Lal Mavji Bhai Panchani	32,783		32,783	
Real Realty Pvt Ltd	-		110,300	
Sandesara & Associates	-		2,000	
Santosh Bazar	1,096,457		1,096,457	
Shree Gurukrupa Roller Flour Mills	1,765,331		1,765,331	
Sumit Trading Co.	278,680		278,680	
The Madras Stock Exchange	44,749		44,749	
The Stock Exchange	105,000		105,000	
		6,578,033		6,783,685
<b><u>(ii) Other Current Liabilities</u></b>				
Unpaid Professional Tax	7,020		7,020	7,020
VAT Payable	45,250			
TDS Payable		52,270		7,020
<b>Total</b>		<b>6,630,303</b>		<b>6,790,705</b>
<b>Total Liability side(A)</b>		<b>8,519,221</b>		<b>8,050,522</b>
<b>5 Fixed Asset</b>				
<b>Gross Block</b>				
Opening Gross Block	1,240,790		1,240,790	
Addition During the year	-		-	
Deletion During the year	-		-	
		<b>1,240,790</b>		<b>1,240,790</b>
<b>Depreciation</b>				
Opening Balance	831,514		815,066	
Addition During the year	29,761		16,448	
Deletion During the year	-		-	
		<b>861,275</b>		<b>831,514</b>
<b>Net Block</b>		<b>379,515</b>		<b>409,276</b>
<b>6 Current Asset</b>				
<b><u>Loans &amp; Advances (Asset)</u></b>			7,148,336	
<b><u>(i) Debtors For Capital Goods</u></b>				
Jovial Foods Pvt. Ltd.	2,367,058	2,367,058	2,367,058	2,367,058
<b><u>(ii) Deposits</u></b>				
Deposit With Celforce - 9825060825	3,000		3,000	
Deposit With Celphone - 9825009456	3,000		3,000	
Flour Miller's Trust	400,000		400,000	
Gujarat Roller Flour Mill Ass.	518,220	924,220	518,220	924,220
<b><u>(iii) Income Tax Advance</u></b>				
TDS 07-08	-		21,625	
TDS Receivable 05-06	-		19,634	
TDS Receivable 06-07	-		21,979	
TDS Receivable 12-13	4,414			
TDS Receivable 09-10	-	4,414	7,820	71,058

<b><u>(iv) Adv. Recvbl. In Cash Or Kind for Value to be Recd.</u></b>				
Growmore Solvent Ltd.	3,250,000		3,250,000	
Hiltone Software Gases Ltd.	500,000		500,000	
Ken Finstock Holding (P) Ltd.	36,000	3,786,000	36,000	3,786,000
		7,081,692		7,148,336
<b><u>Sundry Debtors for More Than Six Month</u></b>				
Debtor for sale of goods	950,250			
Accura Food Products	-	950,250	1,621	1,621
<b><u>Other Current Asset</u></b>				
PGVCL Int. Receivable	40,000	40,000		
<b>Cash in Hand</b>	1,642	1,642	431,642	431,642
<b><u>Bank Accounts</u></b>				
Bank Of Baroda A/c. 00112	34,392		31,712	
The Chanasma Nagrik Sahakari Bank A/c.588	31,730	66,122	27,935	59,647
		<b>8,139,706</b>		<b>7,641,246</b>
<b>Total Assets side(B)</b>		<b>8,519,221</b>		<b>8,050,522</b>

**Hillock Agro Foods (India) Ltd.**  
9, Shiv Sankalp Society, Nr. Naranpura Post Office,  
Naranpura, Ahmedabad- 380 013, Gujarat

Groupings Forming Part of Statement of Profit & Loss

(Amounts in ₹)

Particulars	As at March 31st 2012		As at March 31st 2011	
<b><u>Income</u></b>				
<b><u>Revenue from Operation</u></b>				
Net Sales/income from operations		905,000.00		-
Other Operating Income		-		-
<b>TOTAL Income from Operation (Net)</b>		<b>905,000.00</b>		<b>-</b>
<b>Other Income</b>				
Amount written off		187485.75		
G.E.B. Interest Income		-		70,976.00
Interest Income		44,414.00		5,307.00
Kasar		-		112,010.00
Other Income		-		1,019.00
<b>Total</b>		<b>231,899.75</b>		<b>189,312.00</b>
<b><u>Total Income</u></b>		<b>1,136,899.75</b>		<b>189,312.00</b>
<b><u>Expenditure</u></b>				
<b>Indirect Expenditure</b>				
(vii) Staff Cost	13,000.00	13,000.00		-
<b>OTHER EXP</b>				
Insurance Exp.	-		559.00	
Legal Expenses	-		110,300.00	
(ii) Audit Fees			16,545.00	
(iii) Bank Charges	6.00		839.00	
(vi) Listing Revocation Fees	579,654.00			
(vii) Power & fuel	17,000.00			
		<b>596,660.00</b>		<b>128,243.00</b>
(iv) Depreciation Exp.	29,761.00	29,761.00	16,448.00	16,448.00
<b>Total Expenditure</b>		<b>639,421.00</b>		<b>144,691.00</b>
<b>Profit Before Tax &amp; Exceptional Item</b>		<b>497,478.75</b>		<b>44,621.00</b>
Tax of Earlier years	71058			
IT Refund	-2680	68378		
<b>Net Profit</b>		<b>429,100.75</b>		<b>44,621.00</b>

**ATTENDENCE SLIP**

**HILLOCK AGRO FOODS (I) LIMITED**

**Regd. Office:** 9, Shiv Sankalp Society, Nr. Naranpura Post Office, Naranpura, Ahmedabad-380013

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
Joint Shareholders may obtain additional attendance slip at the venue of the Meeting

DP ID\*

CLIENT ID\*

FOLIO NO

No of shares held

NAME AND ADDRESS OF THE EQUITY SHAREHOLDER/ PROXY HOLDER

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I certify that I am registered shareholders/proxy for the registered Shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the Company at Registered Office of the Company at 9, Shiv Sankalp Society, Nr. Naranpura Post Office, Naranpura, Ahmedabad-380 013, on **Saturday, 29<sup>th</sup> September, 2012.**

.....  
**Member's/Proxy's Name in Block Letters**

.....  
**Member's/Proxy's Signature**

Client ID : ..... DP ID: .....

Note:

1. \*Applicable for investors holding equity shares in dematerialised form.
2. The Shareholding stated above is subject to change for transfers upto date of Meeting. THIS ATTENDENCE SLIP IS VALID ONLY IN CASE SHARES ARE HELD ON THE DATE OF MEETING.

**HILLOCK AGRO FOODS (I) LIMITED**

**Regd. Office:** 9, Shiv Sankalp Society, Nr. Naranpura Post Office, Naranpura, Ahmedabad-380013

**PROXY**

I /We ..... of .....in the District of ..... being a Member/Members of the above named company, with Client ID..... DPID ..... or fulfilling him/her.....as my /our proxy to attend and vote for me/us and on my/our until of the "ANNUAL GENERAL MEETING of the Company" to be held Saturday, 29.09.2013, at 10:30 AM and at any adjournment thereof.

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Affix Re.  
1  
Revenue  
Stamp

Signature across the stamp

**(For demat holding)**

DP ID \_\_\_\_\_ Client ID \_\_\_\_\_

**(For physical holding)**

Folio No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Signature of Equity Shareholder: Sole holder/First Holder \_\_\_\_\_

Second Holder \_\_\_\_\_

Third Holder \_\_\_\_\_

Signature of Proxy: \_\_\_\_\_

**NOTES:**

- (1) Please affix Revenue Stamp before putting Signature. (2) All alterations made in the Form of Proxy should be initialled.
- (3) Proxy must be deposited at the registered office of the Applicant Company, not later than FORTY EIGHT hours before the commencement of the meeting.(4) In case of multiple proxies, the proxy later in time shall be accepted.