



**HINDUSTAN
CONTINENTAL LIMITED**

HINDUSTAN CONTINENTAL LIMITED

17th Annual Report

2009 - 2010

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HINDUSTAN
CONTINENTAL LIMITED

Board of Directors:

Mr. Vinod Jain
Mr. Virendra Jain
Mr. R.S. Chauhan
Mr. Surendra Kumar Kulhari
Mr. Mukesh Tulshyan
Mr. Latiff Ummed Ali Khan

Bankers:

The Bank of Rajasthan Ltd.
HDFC Bank Ltd.

Auditors:

M/s Churiwala & Co.
Chartered Accountants
104, Shreeji Sharan, Shantilal Modi Marg,
Off. S.V. Road, Above ICICI Bank,
Kandivali [W], Mumbai – 400 067.

Share Transfer Agent:

Sharepro Services (India) Pvt Ltd.
13 AB Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exch. Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri [E], Mumbai – 400 072.

Registered Office

A-01, Ground Floor,
Kalyan Bhavan, Plot. No. 406,
Andheri (East), Mumbai-400 069.
Tel :+91 22 6528 8397



DIRECTORS' REPORT TO MEMBERS

To the members of Hindustan Continental Limited

The Directors have the pleasure in presenting the Seventeenth Annual Report on the business and operation of the company together with the Audited Annual Accounts for the year ended 31st March 2010

1. PERFORMANCE OF THE COMPANY

Your Company's performance for the year 2009- 10 is as summarized below:

(Rs. in lacs)

	2009-10	2008-09
Total Income	14777.91	11540.55
Total Expenditure	14742.65	11504.89
Profit Before Tax	35.27	35.66
Provision for Tax	11.84	11.49
Profit/Loss After Tax	23.43	24.17
Add: Surplus brought forward from previous year	42.69	18.53
Profit available for Appropriations	66.12	42.69
Surplus carried forward	66.12	42.69

2. Dividend

To conserve the resources of the company your Directors does not recommend any dividend for the year under consideration.

3. Change in Registered Office of the Company

The registered office of the company has been shifted from F-71, Solaries, Opp. L & T Gate No. 6, Saki Vihar Road, Andheri (E), Mumbai - 400072 to A-01, Ground Floor, Kalyan Bhavan, Plot. No. 406, Andheri (East), Mumbai.

4. MANAGEMENT DISCUSSION AND ANALYSIS

India is diversifying its geographical reach and export product portfolio in Latin America and Caribbean Conclave as the true potential is yet to be unleashed as most of Indian exports land in Brazil while markets of Mexico, Argentina, Peru, Chile and Uruguay are not being targeted enough.

The Latin America and Caribbean is a vast untapped market as the potential destinations for exports from India. There is a huge opportunity available which is achievable due to the compatibility on cultural front as



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well as the fact that Indian technology and Latin America natural and social capital make a great fit. We are a group of professionals committed to helping companies that sell or buy internationally or that want to start selling or buying internationally, to find its strategic partners across the globe.

Our customers get more value for money since we also handle the customs brokering, documentation and inland clearance, offering hassle free customs clearance services. Combining professional skills, innovative techniques and the resolution to excel, we endeavor to achieve total customer satisfaction

At Hindustan Continental Limited, our team of expert consultants provide vital consultancy to our customers in the field of import and export industry. We offer consultancy and assistance to exporters for obtaining:

- Excise rebate claims on Exports.
- Setting up Import/Export Department
- Project Import finalization & settlement of security deposit refund / B.G. Claims.
- Arranging insurances and settlements of claims.
- Consultancy in Import/Export Policy matters & procedures.
- Setting up industries, exports units, EOU, BPO or call centers.
- Obtain Govt. permissions, RCMC from the office EPC, FIEO.
- Arranging IEC, EPCG, DEPB, DFRC, Adv. License, DOT / DOE Approval, PC, etc. Registrations with RBI, Customs & Excise and other Government Authorities export House Registration Certification for Special Import Licensing
- Application of Advance Licensing or Special Import Licensing for Raw material
- Application for Export Licensing Quota. For Dal, Sugar & Pulses
- For Sale or Purchase of Special Import License, DEPB & Advance License – DFIA.
- Application of Special Imprest License Against Supply of Goods under Global Tender or under World Bank Loan.
- Application of Import of capital Goods & Equipment
- Application of Duty Drawback
- Application for DEPB



- Application of Fixation of Brand Rate
- Application for Audit and Documentation of DEEC Book under Advance License
- Application for Transfer and Documentation of Advance License
- Application of Refund of Central Excise, Against Supply of Goods under Global Tender or Under World Bank Loan
- Export Performance-Export Turnover-Export Profit.

INTERNAL CONTROL SYSTEMS: The Company has in place adequate systems of internal control to ensure compliance with policies and procedures. Internal audit of all the units of the Company are regularly carried out to review the internal control systems. The internal audit report along with implementation and recommendations contained therein are constantly reviewed by the Audit Committee of the Board.

HUMAN RESOURCES: Human resource is a valuable asset at **Hindustan Continental Limited** and the Company endeavors to provide an environment that each employee is motivated to contribute his best to achieve the Company's goals.

CAUTIONARY STATEMENT : Statements made in the Management Discussion and analysis describing the Company's objectives, projections, estimates, predictions and expectations may be 'forward looking statements' within the meaning of applicable securities law and regulations. Actual results might differ materially from those either expressed or implied.

5. PUBLIC DEPOSITS

During 2009-10, your Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

6. DIRECTORS

Mr. R. S. Chauhan and Mr. Mukesh Tulshyan retire by rotation and being eligible, offer for re-appointment. Pursuant to clause 49(g) (1) of the Listing Agreement with the Stock Exchanges, brief resume of the Directors being reappointed has been provided in the Notice convening the Annual General Meeting.

7. AUDITOR'S REPORT

Observations made in the report are self explanatory and do not call for any further comments under Section 217 (3) of the Companies Act, 1956.



**HINDUSTAN
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8. AUDITORS

M/s. Mukesh Jhunjhunwala, Chartered Accountants, retires as Auditor of the Company at the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. M/s. Mukesh Jhunjhunwala, Chartered Accountants, has entered into partnership with M/s Churiwala & Co, Chartered Accountants, thus the appointment, if approved at the ensuing AGM shall be made in the name of M/s Churiwala & Co., Chartered Accountants.

9. PARTICULARS OF EMPLOYEES

The particulars of employees as prescribed by the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, as the Company has not employed any employee whose salary exceeds Rs. 24,00,000/- annum or Rs. 2,00,000/- per month.

10. ADDITIONAL INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

- a. Conservation of Energy: Energy conservation efforts in the Company are being pursued on a continuous basis. Close monitoring of power consumption is maintained to minimize wastage and facilitate optimum utilization of energy. Regular maintenance and repairs of all the equipment and machinery is carried out to ensure optimum efficiency.
- b. Foreign exchange earnings and outgo: The Company did not earn and spend.

11. CORPORATE GOVERNANCE REPORT

Your Company has Complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance. A report on the Corporate Governance practices, the Auditors Certificate on Compliance of mandatory requirements thereof are given as an annexure to this report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

- a) That in the preparation of the annual accounts for the financial year ended March 31,2010, the applicable accounting standards have been followed and that there are no material departures from the same;
- 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 financial year and of the profits of the Company for the period;
- c) That they have taken proper and sufficient care to the best of their knowledge and ability 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.
- d) That they have prepared the annual accounts on a 'going concern' basis.



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13. APPRECIATION

Your Directors wish to place on record their appreciation to all stakeholders and more specifically, the employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to achieve remarkable growth. The Board also acknowledge the unstinted support of the customers, suppliers, investors, bankers, Central and State Governments and other statutory authorities and other associated with the Company.

For and on Behalf of the Board

Sd/-

Mr. Virendra Jain

Director

Mumbai, September 1, 2010



**HINDUSTAN
CONTINENTAL LIMITED**

**Certificate on Compliance with the Conditions of Corporate Governance under Clause 49
of the Listing Agreement**

To,

The Members of **Hindustan Continental Limited**

We have examined the compliance of conditions of Corporate Governance by Hindustan Continental Limited for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange of India.

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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For M/s. Churiwala & Co.
Chartered Accountants**

Sd/

**[Mukesh Jhunjhunwala]
Partner
Membership No. 125511
Firm Regn. No. 119223W**

Certificate by the Managing Director on Code of Conduct

To

The Members of Hindustan Continental Limited

I, Vinod Jain, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed the compliance of the code of conduct.

For Hindustan Continental Limited

Sd/-

**Vinod Jain
Managing Director
Mumbai, September 1, 2010**



CORPORATE GOVERNANCE

A report on Corporate Governance, pursuant to Clause 49 of the Listing Agreement, is as given below:

1. COMPANY'S PHILOSOPHY ON THE CORPORATE GOVERNANCE

The Company is committed to the adoption of best corporate governance practices which ensures accountability of management and maximization of stakeholders value. We shall strive to put in place process, system, control and governance structures for protecting and furthering the interest of our stakeholders.

2. BOARD OF DIRECTORS

a) Composition

The Composition and Categories of Directors (During the Year) is as follows:

Name	Category
Mr. Vinod Jain	Managing Director
Mr. Virendra Jain	Executive
Mr. Surendra Kumar Kulhari	Executive
Mr. R.S. Chuahan	Non Executive and Independent
Mr. Latif Ummed Ali Khan	Non Executive and Independent
Mr. Mukesh Tulsyan	Non Executive and Independent

b) Board Meetings

During the year under review, the Board of Directors of the Company met Six times and the period between any of the two meetings did not exceed three months. The dates for the Board Meeting held during the each quarter are as follows:

No.	Date of Meeting	For the Quarter
1.	April 30, 2009	April to June
2.	July 30, 2009	July to September
3.	August 25, 2009	July to September
4.	October 28, 2009	October to December
5.	January 29, 2010	January to March

As required under Annexure I to Clause 49 of the Listing Agreement with the Stock Exchanges, all the necessary information was placed before the Board from time to time.

2. Attendance, Directorship and Committee Membership as on 31.03.2010:

Sl. No	Name of Director	Category	No. of Board Meeting Attended	Attendance at the last AGM held on 30.09.2008	No. of Directorship in other Public Companies	No. of Membership of Committees in other Public Companies	
						Member	Chairman
1.	Mr. Vinod Jain	Managing Director	02	No.	Nil	Nil	Nil
2.	Mr. R.S. Chauhan	Non Executive	02	No.	Nil	Nil	Nil
3.	Mr. Virendra Jain	Executive	02	No.	Nil	Nil	Nil
4.	Mr. Surendra Kumar Kulhari	Executive	05	Yes	1	1	Nil
5.	Mr. Mukesh Tulsyan	Non-Executive and Independent	05	Yes	Nil	Nil	Nil
6.	Mr. Latif Ummed Ali Khan	Non-Executive and Independent	05	Yes	Nil	Nil	Nil



3. All the relevant information, as recommended by the Securities and Exchange Board of India (SEBI)/Stock Exchanges, is promptly furnished to the Board from time to time in a structured manner.
4. The Company has adopted a Code of Conduct for its Executive and Non Executive Directors and all Non-Executive Directors have affirmed compliance with the said code. All the Senior Management of the Company has affirmed compliance with the Hindustan Code of Conduct. The Annual Report of the Company contains a Certificate duly signed by the Managing Director (CEO) in this regard.
5. Mr. R. S. Chauhan and Mr. Mukesh Tulshyan retire and being eligible seeks re-appointment at the ensuing Annual General Meeting. The details of Directors seeking appointment / re-appointment have been attached along with the Notice of the Annual General Meeting.
6. The Company has a well defined risk management framework in place. The risk Management framework adopted by the Company is discussed in the Management Discussion and Analysis chapter of this Annual Report. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks.

Board Committees

Your Company has three major Board Level Committees:

- Audit Committee
- Remuneration Committee
- Shareholders/Investor Grievance Committee

a) AUDIT COMMITTEE:

The Audit Committee of the Company comprises Three Members of whom, two are Non-Executive Independent Directors. The composition of the committee is—

Chairman: Mr. Latif Ummad Ali Khan

Members: Mr. Surendra Kumar Kulhari

Mr. Mukesh Tulshyan

The quorum of an audit committee meeting is two members personally present. All the members of the committee have financial knowledge within the meaning of the explanation to Clause 49 (II) (A) of the Listing Agreement.

The terms of reference of the Audit Committee are in accordance with those specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

b) REMUNERATION COMMITTEE:

Remuneration committee was constituted to recommend/ review the remuneration package of the Managing Executive Director(s). As required under clause 49 of the Listing Agreement. Constitution:

Chairman: Mr. Latif Ummad Ali Khan

Members: Mr. Mukesh Tulshyan

Mr. R.S. Chauhan

Remuneration for Non-Executive Director: No remuneration has been paid to Non- Executive Directors. Non- Executive Directors have not been paid any sitting fees for attending Board and committee meetings.

c) SHAREHOLDERS/ INVESTOR'S GRIEVANCE COMMITTEE

The investor's grievance committee comprises Mr. Mukesh Tulshyan (Chairman), Mr.Latif Ummad Ali Khan, Directors and Mr. Surendra Kumar Kulhari, Compliance Officer. The terms of reference of the Committee consist of:

- i. Monitoring the response to investor questions and grievances;
- ii. Approving share transfers, transmissions, queries and grievances;

The shares of the Company are listed on the Stock Exchange, Mumbai. During the year under report the Company did not receive any shareholder complaints as certified by the Share Transfer Agent of the Company. There were no pending share transfers or complaints as on 31st March, 2010.

Name and Designation of Compliance Officer: Mr. Surendra Kumar Kulhari.

General Body Meetings

The details of the Annual General Meetings held in the past three years and the special resolutions passed there at are as follows:

Year	Date & Venue	Time	No. of Special Resolution
2006 - 07	July 12,2007, A-19, Subh Kamna Apartment, Gol Bazar, Jabalpur – 483220	11.00 am	3
2007 - 08	September 30,2008, A-19, Subh Kamna Apartment, Gol Bazar, Jabalpur – 483220	11.00 am	Nil
2008 - 09	September 25, 2009, F-71, Solaris, Opp L & T Gate No.6, Saki Vihar Road, Andheri [E] ,Mumbai - 400 072.	11.00 am	Nil

DISCLOSURES:

- i. There were no materially significant related parties transactions entered into by the Company with its promoters, Directors or the Management, their relatives or subsidiaries that may have potential conflict with the interest of the Company at large.
- ii. The financial statements have been prepared in accordance with the accounting standards and policies generally accepted in India.
- iii. The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Agreement. In respect of compliance with the non-mandatory requirements, the Company has constituted a Remuneration Committee, the details whereof are given under the heading "Remuneration Committee". The quarterly and half yearly financial result are published in the newspapers.
- iv. As required by Clause 49 of the Listing Agreement, a Certificate from Auditor certifying the compliance by the Company with the provisions of Corporate Governance of the Listing Agreement is given as at the beginning of this Report.

Means of Communication:

- i. The quarterly un-audited financial results are published in leading English and Vernacular newspapers. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to the shareholders at their registered address with the company.
- ii. The Management Discussion and Analysis Report, in compliance with the requirements of Clause 49 of the Listing Agreements is Annexed to the Directors' Report and form part of this Annual Report being sent to all the members of the Company. All matters pertaining to industry structure and developments, opportunities and threats, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

SHAREHOLDERS' INFORMATION

Subject	Details
1. AGM date, time and venue	<p>30th September 2010, -11.00 a.m.</p> <p>A-01, Ground Floor, Kalyan Bhavan, Plot. No. 406, Andheri (East), Mumbai-400 069.</p> <p>Tel :+91 22 6528 8397</p>
2. Financial Year	April 1,2009 to March 31,2010
3. Date of Book Closure	27nd September 2010 to 30th September 2010(Both days inclusive)
4. Listing on Stock Exchange(s)	The Bombay Stock Exchange, Mumbai
5. Listing Fees	The Annual listing fees for the year 2009-10 as prescribed has been paid to the Bombay Stock Exchange where the equity shares of the company are listed.
6. Stock code	<p>BSE : 531783</p> <p>ISIN No. INE837F01016</p>
7. Registrar and Transfer Agent	<p>Sharepro Services (India) Pvt Ltd.</p> <p>13 AB Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exch. Lane, Off Andheri Kurla Road, Sakinaka, Andheri [E], Mumbai – 400 072.</p>

Address for Correspondence

Shareholders may correspond with the Registrar and Transfer Agent, at the address mentioned here in above on all matters relating to transfer of shares and credit of shares in Demat Account. Members may contact for all investor related matters at the registered office of the company at the following address:

Hindustan Continental Limited

A-01, Ground Floor,

Kalyan Bhuvan, Plot. No. 406,

Andheri (East), Mumbai.

Tel :+91 22 6528 8397

For and on Behalf of the Board

Sd/-
Mr. Virendra Jain
Director

Mumbai, September 1, 2010

Chief Executive Officer Certificate

I, Vinod Jain, Managing Director & Chief Executive Officer, responsible for the finance function certified that:

- 1) I have reviewed the financial statements & cash flow statement for the year ended March 31, 2010 and to best of my 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 a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) To the best of our knowledge and belief, no transactions entered in to by the company during the year ended March 31, 2010 are fraudulent, illegal or violating of the company's code of conduct.
- 3) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and the steps have been taken to rectify these deficiencies.
- 4) There not have been any significant change in internal control over financial reporting during the year under reference;
There has not been any significant change in accounting policies during the year except as laid down in Accounting Standards (AS) 15 (revised 2005) or employee benefits. Requiring disclosers in the notes to the financial statements; and
I am not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in Company's internal control system over financial reporting.

Sd/-
Vinod Jain
Managing Director & CEO

Mumbai
September 1, 2010

AUDITORS' REPORT

To,
The Members of
HINDUSTAN CONTINENTAL LIMITED,

1. We have audited the attached Balance Sheet of **HINDUSTAN CONTINENTAL LIMITED** as at 31st March, 2010, the annexed Profit and Loss Account and Cash Flow Statement for the year ended on that date with . 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 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 materials 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 [Auditors Report] Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to above, we report that :
 - a. 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.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company as it appears from our examination of such books.
 - c. The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit and Loss Account and Cash Flow Statement comply in all material aspects with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e. On the basis of written representation received from the directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes thereon give the information required by the Companies Act in the manner required and give a true and fair view :
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
 - ii. In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
 - iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For M/s. Churiwala & Co.
Chartered Accountants

Sd/-
[Mukesh Jhunjhunwala]
Partner
Membership No. 125511
Firm Regn. No. 119223W

Place: Mumbai
Date: September 1, 2010

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in Paragraph 3 of the Auditors Report to the members of **HINDUSTAN CONTINENTAL LIMITED** for the year ended 31st March, 2010.

As required by the Companies [Auditors Report] Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

1. a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the fixed assets have been physically verified by the management in accordance with a phased programmed of verification, which in our opinion is reasonable, considering the size and the nature of business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- c. No substantial part of fixed assets was disposed off during the year, which has bearing on the going concern assumption.
2. a. In our opinion and according to the information and Explanations given to us, Inventories were physically verified during the year by the management at reasonable intervals.
- b. The procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business
- c. The company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. According to information and explanations given to us the company has neither granted nor taken any loan, secured or unsecured to and/or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the clause 3 of the said order is not applicable to the company.
4. In our opinion and according to the information and explanation given to us there is 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 for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
5. a. Based on the audit procedures performed by us, we are of the opinion that particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a register maintained under section 301 of the Companies Act, 1956.



6. The Company has not accepted any deposits from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under and directives issued by the Reserve Bank of India. No order in relation thereto has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
7. The Company has an adequate internal audit system commensurate with its size and natures of its business.
8. We are informed by the management that the Central Government has not prescribed for maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956 for the products of the Company.
9.
 - a. According to the records of the Company, the undisputed statutory dues including Provident Fund, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise duty and Cess have generally been regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2010 for a period more than six months from the date they became payable.
 - b. According to the information and explanations given to us, the Company has no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of disputes with the related authorities.
10. The company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of its dues to banks and financial institutions.
12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the company.
14.
 - a. In our opinion and according to the information and explanations given to us, the company is maintaining proper records of the transactions and contracts of dealing or trading in shares, securities, debentures and other investments and that timely entries have been made in these records.
 - b. In our opinion and according to the information and explanations given to us, the shares, securities, debentures and other investments have been held by the company in its own name.
15. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.



16. As per the information and explanations given to us, the Company has not raised any new term loans during the year.
17. On an overall examination of the balance sheet of the company, we report that no funds raised on Short-term basis have been used for Long term investments.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. On the basis of our examination and according to the information and explanation given to us, no fraud, on or by the Company, has been noticed or reported during the year.

For M/s. Churiwala & Co.
Chartered Accountants

Sd/-
[Mukesh Jhunjunwala]
Partner
Membership No. 125511
Firm Regn. No. 119223W

Place: Mumbai
Date: September 1, 2010



**HINDUSTAN
CONTINENTAL LIMITED**

Hindustan Continental Limited

Balance Sheet as on 31st March, 2010

	SCH	AS ON 31-03-10	AS ON 31-03-09
		Amount in [Rs.]	Amount in [Rs.]
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	89,596,000	89,596,000
Reserves and Surplus	2	6,612,089	4,269,476
		1,839,061	1,205,158
DEFERRED TAX LIABILITY			
		80,000,000	89,965,000
LOAN FUNDS			
Unsecured Loans	3		
		178,047,150	185,035,634
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	15,507,372	13,770,229
Less : Depreciation		3,884,972	1,919,116
Net Block		11,622,400	11,851,113
INVESTMENTS			
	5	78,640,000	113,000,000
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories		25,876,455	38,804,209
Sundry Debtors	6	32,002,381	22,969,995
Cash and Bank balances	7	29,242,892	5,004,493
Loans and Advances	8	49,453,653	58,233,628
		136,575,381	125,012,325
Less : Current Liabilities and Provisions			
Current Liabilities	9	52,395,230	69,625,853
Provisions	10	1,460,909	991,103
Net Current Assets		82,719,242	54,395,369
Miscellaneous Expenditure [To the extent not written off or adjusted]	11	5,065,508	5,789,152
		178,047,150	185,035,634
Significant Accounting Policies and Notes on Accounts	13		

As per our Report of even date attached

For M/s. Churiwala & Co.
Chartered Accountants

Sd/-
[Mukesh Jhunjunwala]
Partner
Membership No. 125511
Firm Regn. No. 119223W

Place : Mumbai
Date : September 1, 2010

For and on behalf of the Board

Sd/-
[Surendra Kumar Kulhari] [Latif Ummed Ali Khan]
Director Director



Hindustan Continental Limited

Profit and Loss Account for the year ended 31st March, 2010			
	SCH	YEAR ENDED 31-03-10	YEAR ENDED 31-03-09
		Amount in [Rs.]	Amount in [Rs.]
INCOME			
Operational Income		1,475,068,004	1,135,923,800
Other Income		2,723,114	18,131,356
		1,477,791,118	1,154,055,156
EXPENDITURES			
Operational Cost		1,436,806,398	1,135,460,710
Decrease / (Increase) in Stock in trade		12,927,754	(38,804,209)
Administrative Expenses	12	21,840,950	22,344,597
Depreciation	4	1,965,856	1,160,186
Loss on Sale of CWIP		-	29,604,541
Preliminary Expenses w/off		723,644	723,644
		1,474,264,601	1,150,489,469
Profit / (Loss) before Taxation		3,526,517	3,565,687
Less : Provision for Taxation			
Current Tax		550,000	560,000
Deferred Tax Liability / (Assets)		633,903	458,961
Fringe Benefit Tax		-	130,000
Profit / (Loss) after Taxation		2,342,614	2,416,726
Profit available for appropriation		2,342,614	2,416,726
Less : Prior period Adjustments		-	-
Balance as per last year		4,269,476	1,852,750
Balance transferred to Balance Sheet		6,612,089	4,269,476
Earning Per Share [Basic / Diluted]		0.26	0.27
Significant Accounting Policies and Notes on Accounts	13		
As per our Report of even date attached			
For M/s. Churiwala & Co. Chartered Accountants		For and on behalf of the Board	
Sd/- [Mukesh Jhunjunwala] Partner Membership No. 125511 Firm Regn. No. 119223W	Sd/- [Surendra Kumar Kulhari] Director	Sd/- [Latif Ummed Ali Khan] Director	
Place : Mumbai Date : September 1, 2010			



Hindustan Continental Limited

Cash Flow Statement for the year ended 31st March, 2010		
	F.Y. 2009-10	F.Y. 2008-09
	Amount in [Rs.]	Amount in [Rs.]
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and extra-ordinary Items	3,526,517	3,565,687
Adjustment for :		
Depreciation	1,965,856	1,160,186
Interest Income	(4,532,468)	(3,506,048)
Financial Expenses	-	-
Preliminary Expenses Written off	723,644	723,644
Prior Period Adjustments	-	-
Taxes Paid	(403,138)	(784,725)
Operating Profit before Working Capital Change	1,280,411	1,158,744
Adjustment for :		
Trade Receivables	(9,032,386)	(22,969,995)
Inventories	12,927,754	(38,804,209)
Trade Payables	-	-
Loans and Advances	9,102,919	(22,062,344)
Other Current Liabilities	(17,230,623)	68,930,430
Net Cash from operating activities	[A] (2,951,924)	(13,747,374)
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,737,143)	(5,790,112)
Sale of Fixed Assets	-	32,104,541
Share Application Money	-	-
Loans	-	-
Interest Received	4,532,468	3,506,048
Sale / (Purchase) of Investments	34,360,000	(102,200,000)
Net Cash used in Investing Activities	[B] 37,155,325	(72,379,523)
[C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Shares Issued [Net of Expenses]	-	-
Proceeds from Secured Loan [Net of Repayment]	-	-
Proceeds from Unsecured Loan [Net of Repayment]	(9,965,000)	89,965,000
Financial Expenses	-	-
Net Cash from Financing Activities	[C] (9,965,000)	89,965,000
Net Increase in Cash and Cash Equivalents [A + B + C]	24,238,401	3,838,103
Cash and Cash Equivalents [Opening Balance]	5,004,493	1,166,389
Cash and Cash Equivalents [Closing Balance]	29,242,892	5,004,493

Hindustan Continental Limited
Cash Flow Statement for the year ended 31st March, 2010
Note :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standards - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents at the end of the year consists of Cash in Hand and Balances with Banks and are net of Short terms Loans and advances from Banks as follows :

	F.Y. 2009-10	F.Y. 2008-09
Cash in Hand	261,750	301,285
Balances with Banks	28,981,142	4,703,208
	29,242,892	5,004,493

As per our Report of even date attached

For M/s. Churiwala & Co.
Chartered Accountants

For and on behalf of the Board

Sd/-
[**Mukesh Jhunjunwala**]
Partner
Membership No. 125511
Firm Regn. No. 119223W

Sd/-
[Surendra Kumar Kulhari]
Director

Sd/-
[Latif Ummed Ali Khan]
Director

Place : Mumbai
Date : September 1, 2010



Hindustan Continental Limited

Schedules forming part of Balance Sheet as on 31st March, 2010

	AS ON 31-03-10	AS ON 31-03-09
SCHEDULE - 1 - SHARE CAPITAL		
Authorised 1,00,00,000 [1,00,00,000] Equity Shares of Rs. 10 each	100,000,000	100,000,000
Issued 90,00,000 [90,00,000] Equity Shares of Rs. 10 each	90,000,000	90,000,000
Subscribed and Paid up 89,59,600 [89,59,600] Equity Shares of Rs. 10 each	89,596,000	89,596,000
SCHEDULE - 2 - RESERVES AND SURPLUS		
Profit and Loss Account	6,612,089	4,269,476
	6,612,089	4,269,476
SCHEDULE - 3 - UNSECURED LOANS		
From Banks	-	-
From Others	80,000,000	89,965,000
	80,000,000	89,965,000
SCHEDULE - 5 - INVESTMENTS		
Long Term, Quoted and Non trade	-	-
	[A] -	-
Long Term, Unquoted and Non trade	78,640,000	113,000,000
	[B]	
	[A] + [B]	
	78,640,000	113,000,000
SCHEDULE - 6 - SUNDRY DEBTORS		
Outstanding for a period exceeding six months	--	--
Other Debts	32,002,381	22,969,995
	32,002,381	22,969,995
SCHEDULE - 7 - CASH AND BANK BALANCES		
Cash in hand	261,750	301,285
Balance With Scheduled Banks		
In Current Account	23,024,963	1,505,694
In Fixed Deposit Account	5,956,179	3,197,514
	29,242,892	5,004,493
SCHEDULE - 8 - LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	2,000,000	11,100,000
Loans	46,113,365	46,116,284
Income Tax	1,340,288	925,919
VAT	-	11,231
Fringe Benefit Tax	-	80,194
	49,453,653	58,233,628



Hindustan Continental Limited

Schedules forming part of Balance Sheet as on 31st March, 2010

	AS ON 31-03-10	AS ON 31-03-09
SCHEDULE - 9 - CURRENT LIABILITES		
Sundry Creditors		
Due to Micro & Small Enterprises	-	-
Due to Others	50,446,915	68,126,983
Other Liabilities	1,948,316	1,498,870
	52,395,230	69,625,853
SCHEDULE - 10 - PROVISIONS		
Provision For Taxation	1,330,909	780,909
Provision for Fringe Benefit Tax	130,000	210,194
	1,460,909	991,103
SCHEDULE - 11 - MISCELLANEOUS EXPENDITURE (To the extent not written off and/or adjusted)		
Preliminary Expenses	5,789,152	6,512,796
Less: written off during the year	723,644	723,644
	5,065,508	5,789,152

Schedules forming part of Balance Sheet as on 31st March, 2010

SCHEDULE - 4 - FIXED ASSETS

PARTICULARS	Rate of Dep.	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS AT 01-04-09	ADDITION / (DELITION)	AS AT 31-03-10	UPTO 31-03-09	FOR THE YEAR	UPTO 31-03-10	AS AT 31-03-10	AS AT 31-03-09
CWIP	0.00%	-	-	-	-	-	-	-	-
Computer	16.21%	8,637,805	1,737,143	10,374,948	1,555,430	1,670,046	3,225,476	7,149,472	7,082,375
Furniture and Fixtures	6.33%	545,600	-	545,600	65,760	34,536	100,296	445,304	479,840
Motor Car	9.50%	913,699	-	913,699	14,467	86,801	101,268	812,431	899,232
Plant & Machinery	4.75%	3,673,125	-	3,673,125	283,459	174,473	457,932	3,215,193	3,389,666
TOTAL		13,770,229	1,737,143	15,507,372	1,919,116	1,965,856	3,884,972	11,622,400	11,851,113
PREVIOUS YEAR		40,084,658	(26,314,429)	13,770,229	758,930	1,160,186	1,919,116	11,851,113	39,325,728





Hindustan Continental Limited

Schedules forming part of Accounts as on 31st March, 2010

	AS ON 31-03-10	AS ON 31-03-09
SCHEDULE - 12 - ADMINISTRATIVE EXPENSES		
Advertisement & Publicity Expenses	503,852	502,493
Audit Fees	27,575	25,000
Bank Charges	64,252	129,097
Books & Periodicals	38,947	26,310
Business Promotion Expenses	591,846	635,591
Compliance Expenses	49,635	43,090
Commission Paid	1,660,068	1,500,000
Computer Expenses	948,341	1,054,796
Conveyance & Travelling Expenses	778,916	771,726
Electricity Expenses	76,919	98,511
Internet Charges	56,313	38,465
Legal Expenses	868,248	880,797
Office Expenses	820,891	1,563,470
Postage & Telegram	824,210	717,809
Printing & Stationery	831,940	840,016
Professional Fees	1,148,330	938,220
Rent	345,200	314,400
Repairs & Maintenance	633,726	479,851
Salaries	10,515,380	10,974,520
Seminar Expenses	246,318	194,604
Staff Welfare	263,914	236,239
Sundry Balances w/off	3,173	3,834
Telephone Expenses	344,512	232,614
Website Expenses	74,124	44,328
Xerox Charges	124,319	98,816
	21,840,950	22,344,597



Hindustan Continental Limited

Schedule forming part of Accounts for the year ended 31st March, 2010

SCHEDULE - 13 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Financial Statements

- i. The Financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 and comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- ii. Recognition of Income and Expenditure
The Company follows the accrual basis of accounting.

b. Fixed Assets

Fixed Assets are accounted at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to working condition for its intended use.

c. Depreciation

- i. Depreciation on fixed assets is provided on the Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- ii. Depreciation on additions / deductions of assets during the year is provided on a pro-rata basis.

d. Inventories

Inventories are valued at cost as per FIFO method.

e. Investments

Investments are classified into current and long term investments. Current investments are stated at lower of cost or market value. Long term investments are stated at cost, less any provision for permanent diminution in value.

f. Miscellaneous Expenditure

1/10th of Preliminary expenses have been written off every year.

g. Contingent Liabilities

These are disclosed by way of Notes forming part of Accounts. Provision is made in the accounts in respect of those liabilities which are likely to materialise after the period end, till the finalisation of accounts and have material effect on the position stated in the Balance Sheet.



**HINDUSTAN
CONTINENTAL LIMITED**

h. Retirement Benefits

The liability of gratuity & other benefits to employees is accounted in the year in which payment is made.

i. Purchases

Purchases are stated net of discounts, VAT and rate difference.

j. Sales

Sales exclude Sales Tax, VAT and adjusted for discounts to the customers.

k. Deferred Taxation

Provision for tax is made by applying the applicable tax rates and the tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in one or more subsequent periods, are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are not recognized unless there is sufficient assurance with respect to the reversal of the same in future years.

B. NOTES TO ACCOUNTS

1. Some of the Sundry Debtors, Sundry Creditors and loans and advances are subject to confirmation and reconciliation. Consequential adjustments thereof, if any, will be given effect into the books of accounts in the year of such adjustments.

2. Contingent Liabilities

There is no contingent liability for the year 2009-10.

3. Payment to Auditors

PARTICULARS	2009-10	2008-09
For Statutory Audit	11,030	10,000
For Tax Audit	11,030	10,000
For VAT Audit	5,515	5,000
TOTAL	27,575	25,000

4. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated as realisable in the ordinary course of business. The provisions for all known liabilities are adequate.

5. As on 31st March, 2010, the Company does not owe any amount to any small scale industrial undertaking. The above information has been compiled in respect of the parties to the extent to which they could be identified as Small Scale and Ancillary Undertakings on the basis of the information available with the Company.

6. Segment Information

Basis of preparation: As the Company is engaged in only one Business Segment, there is no reportable Business Segment as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

7. Taxes on Income

Provision for Current Income Tax for the year under audit is computed at Rs. 5.50 Lacs [Previous Year Rs. 5.60 Lacs] has been charged to Profit and Loss Account.

Deferred Tax Liability for the year ended 31st March, 2010 amounting to Rs. 6.33 Lacs have been recognized in the Profit and Loss Account. The accumulated balance in Net Deferred Tax Liability as on 31st March, 2010 comprises of:

PARTICULARS	DTL / (DTA) AS ON 01-04-09 [Rs.]	CURRENT YEAR CHANGES LIABILITY (ASSETS) [Rs.]	DTL / (DTA) AS ON 31-03-10 [Rs.]
Deferred Tax Liability / (Assets)			
Depreciation	12,05,158	6,33,903	18,39,061
Disallowance under Income Tax Act	Nil	Nil	Nil
Total Deferred Tax Liability / (Assets)	12,05,158	6,33,903	18,39,061

8. Earning Per Share

PARTICULARS		YEAR ENDED 31-03-10	YEAR ENDED 31-03-09
A	Weighted average number of equity shares of Rs. 10 each.		
i.	Number of shares at the beginning of the year	89,59,600	89,59,600
ii.	Number of shares at the end of the year	89,59,600	89,59,600
iii.	Weighted average number of equity shares outstanding during the year	89,59,600	89,59,600
B	Net Profit after Tax available for equity shareholders	23,42,614	24,16,723
C	Basic and diluted income per share [in rupees] {B/A (iii)}	0.26	0.27

Note: The Company does not have any dilutive potential equity per shares. Consequently the basic and diluted profit / earning per share of the company remain the same.



**HINDUSTAN
CONTINENTAL LIMITED**

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9. Related Party Disclosures

There is no related party transactions incurred during the year as per "Accounting Standard - 18: Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

10. None of the employees has been entitled for gratuity under the Provisions of Gratuity Act, 1972 hence no provision is made for the same.
11. Previous year figures have been recast / regrouped wherever necessary to confirm the classification of the current year.
12. Additional information as required under part IV of schedule VI of the Companies Act, 1956 is given herewith.

As per our Report of even date

For M/s. Churiwala & Co.
Chartered Accountants

For and on behalf of the Board

Sd/-
[Mukesh Jhunjunwala]
Partner
Membership No. 125511
Firm Regn. No. 119223W

Sd/-
[Surendra Kumar Kulhari]
Director

Sd/-
[Latif Umed Ali Khan]
Director

Place: Mumbai
Date: September 1, 2010



Hindustan Continental Limited

**Balance Sheet Abstract and Company's General Business Profile
as per Schedule VI, Part [iv] of The Companies Act, 1956**

I. REGISTRATION DETAILS

Registration No.	L15141MH1993PLC190019
State Code	11
Balance Sheet Date	31st March, 2010

II. CAPITAL RAISED DURING THE YEAR

[Amount in '000]

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities	178,047.15
Total Assets	178,047.15
SOURCE OF FUNDS	
Paid-up-Capital	89,596.00
Reserves and Surplus	6,612.09
Deferred Tax Liability	1,839.06
Secured Loans	-
Unsecured Loan	80,000.00
APPLICATION OF FUNDS	
Fixed Asset	11,622.40
Investment	78,640.00
Deferred Tax Assets	-
Net Current Assets	82,719.24
Miscellaneous Expenses	5,065.51

IV. PERFORMANCE OF COMPANY

Total Income	1,477,791.12
Total Expenditure	1,474,264.60
Profit before Tax	3,526.52
Profit after Tax	2,342.61
Earnings per Share [Rs.]	0.26
Dividend Rate [%]	Nil

V. GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY

[As per monetary terms]

Item Code	
Product Description	DEPB Licences

For M/s. Churiwala & Co.
Chartered Accountants

For and on behalf of the Board

Sd/-
[Mukesh Jhunjunwala]
Partner
Membership No. 125511
Firm Regn. No. 119223W
Place : Mumbai
Date : September 1, 2010

Sd/-
[Surendra Kumar Kulhari]
Director

Sd/-
[Latif Umed Ali Khan]
Director



HINDUSTAN
CONTINENTAL LIMITED

Regd. Off.: A-01, Ground Floor, Kalyan Bhavan, Plot No. 40
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