



**HINDUSTAN FOODS LIMITED**

[www.hflgoa.com](http://www.hflgoa.com)

30<sup>th</sup> Annual Report  
**2014-15**



# HINDUSTAN FOODS LIMITED

## 30th Annual Report 2014-15

### BOARD OF DIRECTORS :

Mr. Shrinivas V. Dempo	<i>Chairman</i>
Mrs. Pallavi S. Dempo	<i>Additional Director (w.e.f. 21st March, 2015)</i>
Mr. Soiru V. Dempo	<i>Non-Executive Director</i>
Dr. A. B. Prasad	<i>Independent Director</i>
Adv. Sudin M. Usgaonkar	<i>Independent Director</i>
Mr. Ashok N. Manjrekar	<i>Independent Director</i>
Mr. Ganesh T. Argekar	<i>Executive Director</i>

### Company Secretary and Compliance Officer :

Mrs. Beena M. Mahambrey

### Chief Financial Officer :

Mr. Kedarnath Swain

### Registered Office :

Dempo House,  
Campal, Panaji,  
Goa. 403001.

### Website :

[www.hflgoa.com](http://www.hflgoa.com)

### Investor Email Id :

[hflinvestorrelations@demos.com](mailto:hflinvestorrelations@demos.com)

### Works :

Usgao, Ponda,  
Goa. 403407.

### Auditors :

R. Sundararaman & Co.  
*Chartered Accountants,*  
30/2, Indira Colony,  
Ashok Nagar,  
Chennai - 600 083

### Registrars & Transfer Agents :

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai - 400078.

### Bankers :

Bank of Maharashtra

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## NOTICE

**Notice** is hereby given that the Thirtieth Annual General Meeting of the Members of **Hindustan Foods Limited ('the Company')** will be held at the Registered Office of the Company at **Dempo House, Campal, Panaji-Goa 403001**, on **Wednesday, the 12<sup>th</sup> of August, 2015 at 10:30 a.m.**, to transact the following business:-

### **Ordinary Business:**

1. To consider and adopt the Audited Balance Sheet of the Company as at March 31, 2015, the Profit and Loss Account and Cash Flow Statement for the year ended on that date as also the Reports of the Board of Directors and Auditors thereon; and
2. To appoint a Director in place of Mr. Soiru V. Dempo (holding DIN 00206062), Director of the Company, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To ratify the appointment of the Statutory Auditors of the Company

### **Special Business:**

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

“RESOLVED that Mrs. Pallavi S. Dempo (holding DIN 00003489), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 21, 2015 under Section 161(1) of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules 2014, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act signifying his intention to propose the candidature of Mrs. Pallavi S. Dempo for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation.”

### **Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 is annexed hereto.
3. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting (AGM), forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

4. The Register of Members and Share Transfer Books of the Company will be closed from **Thursday, the 6<sup>th</sup> of August, 2015 to Wednesday, the 12<sup>th</sup> of August, 2015** (both days inclusive) for the purpose of AGM.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. Notice of the 30<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Proxy Form is being sent in the permitted mode.
7. Members may also note that the Notice of the 30<sup>th</sup> Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.hflgoa.com](http://www.hflgoa.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Panaji-Goa for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id: [hflinvestorrelations@dempos.com](mailto:hflinvestorrelations@dempos.com)

#### **8. Voting through electronic means**

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 30<sup>th</sup> Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 30<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM. The Company has appointed CS Sadashiv V. Shet, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The instructions to members for voting electronically are as under:-

- i. The voting period begins on Sunday, August 9, 2015 at 10.00 a.m. and ends on Tuesday, August 11, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 5, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on August 11, 2015.
- ii. Members holding shares in physical or in demat form as on August 5, 2015 shall only be eligible for e-voting.
- iii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iv. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- v. Click on Shareholders.
- vi. Now Enter your User ID;
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vii. Next enter the Image Verification as displayed and Click on Login.
- viii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- ix. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the sticker affixed on the back cover of the Annual Report indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (vi).</li> </ul>

- x. After entering these details appropriately, click on “SUBMIT” tab.
- xi. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii. Click on the EVSN for the relevant <Company name> on which you choose to vote.
- xiv. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - xvi. After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - xvii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - xviii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
  - xix. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - xx. Note for Non–Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, up to and including the date of the AGM.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO AND FORMING PART OF THE NOTICE DATED MAY 26, 2015**

**ITEM 3**

At the 29<sup>th</sup> Annual General Meeting (AGM) of the Company held on September 27, 2014, M/s. R. Sundararaman & Co., Chartered Accountants (Firm Registration No. 004219S) have been appointed as the Statutory Auditors of the Company for a period of three years from the conclusion of the said AGM i.e. upto the conclusion of the 32<sup>nd</sup> Annual General Meeting in 2017. In terms of the provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the shareholders in every Annual General Meeting until the expiry of the period of appointment.

In view of the above, the Board of Directors recommends your ratification of the appointment of M/s. R. Sundararaman & Co., Chartered Accountants (Registration No. 004219S) as the Statutory Auditors of the Company as mentioned at Item No. 3 of the Notice.

**ITEM 4**

The Board of Directors had appointed Mrs. Pallavi S. Dempo as Additional Director of the Company with effect from March 21, 2015 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act").

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman director on the Board of Directors of the Company. The said legal requirement is fulfilled by the appointment of Mrs. Pallavi S. Dempo as a Director of the Company.

Mrs. Pallavi S Dempo holds a graduate degree in Chemistry from Goa University, which she completed from Parvatibai Chowgule College of Arts & Science, Margao, after which she post-graduated in Business Management from Pune University.

Mrs. Dempo holds directorship and membership of the Committees of the Board of Directors of the under stated other companies in India:

- Whole time Director in Dempo Industries Pvt. Ltd.
- Director in Dempo Travels Pvt. Ltd. and Nagesh Dempo Company Pvt. Ltd.

Member of the CSR Committee of Dempo Industries Pvt. Ltd.

Mrs. Dempo is also Trustee of the Dempo Charities Trust, a philanthropic organisation dedicated to helping the socially and educationally under-privileged and is also on the Managing Committee of the Indo German Educational & Cultural Society of Goa, based in Panaji, a body dedicated to furthering linguistic and cultural exchanges between India and Germany.

Mrs. Dempo does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

As an Additional Director, Mrs. Pallavi S. Dempo will hold office only up to the date of this Annual General Meeting. A notice has been received from a member proposing Mrs. Dempo as a candidate for the office of Director of the Company.

Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Dempo as a Director, for the approval by the shareholders of the Company.

Except for Mrs. Dempo, being an appointee and Mr. Shrinivas V. Dempo, being the spouse of Mrs. Dempo, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

By Order of the Board of Directors

**Beena M. Mahambrey**  
*Company Secretary*

**Panaji, May 26, 2015**

**Registered Office:**

Dempo House, Campal,  
Panaji-Goa 403001

**CIN:** L15139GA1984PLC000601

**Website:** www.hflgoa.com

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## **ANNEXURE TO THE NOTICE**

**Details of Directors seeking appointment / re-appointment as required under Clause 49 of the Listing Agreement with the Stock Exchanges:**

**Re-appointment of Mr. Soiru V. Dempo (Item No. 2)**

Mr. Soiru V. Dempo is a Bachelor in Economics. He is an Industrialist and brings his wide experience in decision making into the Company's Board.

Mr. Dempo holds directorship and membership of the Committees of the Board of Directors of the under stated other companies in India:

- Whole time Director in V. S. Dempo Holdings Pvt. Ltd. and Managing Director in Dempo Shipbuilding and Engineering Pvt. Ltd.
- Director in Celtic Investments Pvt. Ltd, Ameya Investments Pvt. Ltd., V. S. Dempo Mining Corporation Pvt. Ltd., Dempo Travels Pvt. Ltd., Vision Dempo Hospitality and Estates Pvt. Ltd., Vishwas Media and Entertainment Pvt. Ltd. and Goa Carbon Ltd.

Member of the Share Transfer, Investors' Grievance and Stakeholders Relationship Committee and the Nomination and Remuneration Committee of Goa Carbon Ltd.

Mr. Dempo does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

**Appointment of Mrs. Pallavi S. Dempo (Item no. 4)**

For the details of Mrs. Pallavi S. Dempo, please refer to the above Explanatory Statement in respect of the Special Business set out at Item no. 4 of the Notice of the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.



## DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report on the business and operations of the Company and the audited financial accounts for the year ended March 31, 2015.

### Financial Results

₹ in lacs

	For the twelve months ended March 31, 2015	For the six months ended March 31, 2014
Profit for the year before Finance charges and depreciation Less: Finance charges	<b>535.06</b> <b>155.14</b>	49.72 68.55
Profit/(Loss) before depreciation Less: Depreciation	<b>379.92</b> <b>129.68</b>	(118.27) 14.68
Profit/(Loss) for the year after Finance charges and depreciation	<b>250.24</b>	(132.96)
Less: Surplus B/F from statement of Profit & Loss of previous year Add: Value of Fixed Assets with useful life completed w/off	<b>(905.33)</b> <b>(1.89)</b>	(772.37) -
Balance carried to Balance Sheet	<b>(656.98)</b>	(905.33)

### Transfer to Reserves

The Company did not transfer any amounts to the general reserve during the year.

### Year in Retrospect

During the year under review, the Company continued the manufacturing of snack food 'Kurkure' for M/s. Pepsico India Holdings Pvt. Ltd. Over the year, the quantities produced saw a remarkable increase.

The Company has been able to record significant increase in the baby food business as well. An important milestone has been the manufacturing of the finished products 'Farex', 'Easum' and 'First Food', the infant food brands of M/s. Nutricia International Pvt. Ltd., for which the Company used to manufacture only the extruded base in the previous years.

For the Financial Year ended March 31, 2015, the Company achieved better results and reported turnover of ₹ 2,849.08 lacs and profit after tax of ₹ 250.24 lacs, after making certain financial adjustments and write-off.

Apart from the above, the Company has also entered into manufacturing and supply agreements with M/s. Mankind Pharma Ltd. and M/s. The Himalaya Drug Company.

### Dividend

Considering the carry forward losses and in order to strengthen the Company's financials, your Directors do not recommend dividend for the year under review.

### Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint Venture and Associate Company.

### Listing Information

The equity shares of your Company are listed on the Bombay Stock Exchange Limited (BSE).

The listing fees for the year 2015-2016 have been paid to BSE.

### **Accreditation**

The Company holds Food Safety System Certification 22000 accreditation made by SGS United Kingdom Ltd.

### **Public Deposits**

The Company has not accepted any public deposits during the year under review.

### **Changes in Directors and Key Managerial Personnel**

During the year under review, your Board inducted Mrs. Pallavi S. Dempo as an Additional Director of the Company with effect from March 21, 2015 in order to comply with the requirement of Section 149(1) of the Companies Act, 2013. In terms of Section 161 of the Companies Act 2013 she shall hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing along with deposit pursuant to Section 160 of Companies Act, 2013, proposing the appointment of Mrs. Pallavi S. Dempo as Director of the Company. Your Board has recommended the appointment of Mrs. Dempo as Director liable to retire by rotation.

Pursuant to Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Soiru V. Dempo, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board has recommended his re-appointment.

Brief resumes of the Directors being appointed / re-appointed together with other relevant details form part of the Notice of the ensuing Annual General Meeting.

Pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the rules made there under, the Whole-time Director (designated as "Executive Director") Mr. Ganesh T. Argekar was designated / classified as whole-time Key Managerial Personnel of the Company and Mr. Kedarnath Swain of the Holding Company, Vanity Case (India) Pvt. Ltd. was appointed / designated as the Chief Financial Officer (CFO) and whole time Key Managerial Personnel of the Company during the year under review. Further, Mrs. Beena M. Mahambrey, ACS 18806, an Associate Member of the Institute of Company Secretaries of India was appointed as the Company Secretary and whole time Key Managerial Personnel of the Company with effect from May 26, 2015.

### **Number of meetings of the Board of Directors**

The Board of Directors of the Company met 4 times during the year 2014-2015 i.e. on May 19, 2014, August 14, 2014, November 10, 2014 and February 11, 2015.

The gap between two consecutive meetings did not exceed one hundred twenty days.

### **Audit Committee**

The composition, terms of reference etc. of the Audit Committee is provided in Corporate Governance Report which forms part of this Annual Report.

There have been no instances of non acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.

### **Vigil Mechanism / Whistle Blower Policy**

The Company has established a Vigil Mechanism / Whistleblower Policy for the employees to report their genuine concerns or grievances and the same has been uploaded on the website of the Company at [www.hfgoa.com](http://www.hfgoa.com).

The Audit Committee of the Company oversees the Vigil Mechanism.

### **Independent Directors' Declarations**

The independent Directors of the Company, viz. Mr. Dr. A. B. Prasad, Adv. Sudin M. Usgaonkar and Mr. Ashok N. Manjrekar have filed their declarations with the Company at the beginning of the financial year 2015-16 affirming that they continue to meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 in respect of their position as an "Independent Director" of Hindustan Foods Limited.

## **Directors' Responsibility Statement**

As required by Section 134 (5) of the Companies Act, 2013, based on the information and representations received from the operating management, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgements 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 profit of the Company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors has carried out the annual performance evaluation of its own performance, the Directors individually, Audit Committee and the Chairman of the Board, on various parameters like level of their engagement and contribution, independence of judgement, safeguarding the interest of the Company and its shareholders.

## **Nomination and Remuneration Committee**

The composition, key objectives etc. of the Nomination and Remuneration Committee is provided in Corporate Governance Report which forms part of this Annual Report.

The Committee has formulated a Nomination and Remuneration Policy and the same has been uploaded on the website of the Company at [www.hflgoa.com](http://www.hflgoa.com)

## **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under, the Company formulated an internal Policy on Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) during the year under review.

The policy aims at educating employees on conduct that constitutes sexual harassment, ways and means to prevent occurrence of any such incident, and the mechanism for dealing with such incident in the unlikely event of its occurrence. A five member Internal Complaints Committee (ICC) has been constituted in accordance with the Act.

The ICC is responsible for redressal of complaints related to sexual harassment of women at the workplace in accordance with procedures, regulations and guidelines provided in the Policy.

During the year under review there were no complaints referred to the ICC.

### **Auditors**

The Auditors, R. Sundararaman & Co., were re-appointed as the Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 to hold office for a period of three years upto the conclusion of the 32<sup>nd</sup> Annual General Meeting in 2017. They are eligible for re-appointment for the financial year 2015-16. Your Board recommends ratification of their appointment as the Statutory Auditors at the ensuing Annual General Meeting for a period upto the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company.

### **Auditors' Report**

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further explanations or comments.

There are no qualifications, reservations or adverse remarks or disclaimer made in the Auditors' Report which requires any clarification or explanation.

### **Secretarial Audit**

During the year under review, CS Sadashiv V. Shet, Practicing Company Secretary who was appointed as the Secretarial Auditor of the Company has issued the audit report in respect of the secretarial audit of the Company for the financial year ended March 31, 2015. The Secretarial Audit Report which forms a part of the Annual Report is self explanatory and requires no comments.

### **Internal Control System**

The Board has laid down Internal Financial Controls within the meaning of the explanation to section 134 (5) (e) ("IFC") of the Companies Act, 2013. The Board believes the Company has sound IFC commensurate with the nature and size of its business. Business is however dynamic. The Board is seized of the fact that IFC are not static and are in fact a fluid set of tools which evolve over time as the business, technology and fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There will therefore be gaps in the IFC as Business evolves. The Company has a process in place to continuously identify such gaps and implement newer and or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

### **Particulars of loans, guarantees or investments**

There was no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

### **Related Party Transactions**

There were no transactions with related parties during the year under review as defined under Section 188 of the Companies Act, 2013. Thus disclosure in Form AOC-2 is not required. Further, there were no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

As required under Clause 49 of the Listing Agreement, the Company has formulated a policy on dealing with Related Party Transactions. The Policy has been uploaded on to the Company website [www.hflgoa.com](http://www.hflgoa.com) (Weblink: [http://hflgoa.com/pdf/Related%20Party%20Transaction%20Policy\\_HINDUSTAN%20FOODS%20LIMITED.pdf](http://hflgoa.com/pdf/Related%20Party%20Transaction%20Policy_HINDUSTAN%20FOODS%20LIMITED.pdf))

### **Particulars of Employees**

None of the employees of the Company were in receipt of remuneration exceeding ₹ 60 lacs per annum or more throughout the year nor exceeding ₹ 5 lacs per month or more for part of the financial year 2014-15.

The information required under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2015 is given in a separate Annexure to this Report.

The above Annexure is not being sent along with this Report to the Members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by the Members at the Registered Office of the Company, 21 days before the 30<sup>th</sup> Annual General Meeting and upto the date of the ensuing Annual General Meeting during the business hours on working days.

### **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and outgo**

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, required to be disclosed by Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in the Annexure – I to this Report.

### **Corporate Social Responsibility (CSR)**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

### **Risk Management**

The Company follows well-established and detailed risk assessment and minimisation procedures, which are periodically reviewed by the Board. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

The Senior Management assists the Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

### **Extract of Annual Return**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as Annexure – II and forms an integral part of this Report

### **Corporate Governance**

Pursuant to Clause 49 of the Listing Agreement, a detailed Corporate Governance Report is attached and forms part of this report.

A certificate from the Statutory Auditors of the Company regarding compliance of the conditions of corporate governance as required under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of this report.

### **Appreciation and Acknowledgement**

Your Directors would like to express their appreciation for the assistance and co-operation received from the Government authorities, banks, customers, business associates and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
*Chairman*  
DIN: 00043413

Panaji, Goa, May 26, 2015.

**ANNEXURE – I TO THE DIRECTORS' REPORT****PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, ETC. AS PER COMPANIES (ACCOUNTS) RULES, 2014.**

(A)	<b>Conservation of Energy</b> (i) the steps taken or impact on conservation of energy	1. Energy consumption: Energy consumption have been higher per unit of production due to increase in production and higher plant utilization. 2. Total energy consumption and energy consumption per unit of production are as under:																																																																																										
		<b>(A) POWER AND FUEL CONSUMPTION</b> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3"></th> <th style="text-align: right;">Current year</th> </tr> </thead> <tbody> <tr> <td>1. Electricity</td> <td></td> <td></td> <td></td> </tr> <tr> <td>    a) Purchased Units</td> <td style="text-align: right;">Kwh</td> <td></td> <td style="text-align: right;">180600</td> </tr> <tr> <td>        * Total amount</td> <td style="text-align: right;">₹</td> <td></td> <td style="text-align: right;">11,05,950</td> </tr> <tr> <td>        * Rate/Unit</td> <td style="text-align: right;">₹/Kwh</td> <td></td> <td style="text-align: right;">6.12</td> </tr> <tr> <td>        * including Demand charges</td> <td></td> <td></td> <td></td> </tr> <tr> <td>    b) Own Generation</td> <td></td> <td></td> <td></td> </tr> <tr> <td>        Through Diesel Generator</td> <td></td> <td></td> <td></td> </tr> <tr> <td>        Units</td> <td style="text-align: right;">Kwh</td> <td></td> <td style="text-align: right;">69849</td> </tr> <tr> <td>        Units per Ltr.of Diesel Oil</td> <td style="text-align: right;">Kwh</td> <td></td> <td style="text-align: right;">3.57</td> </tr> <tr> <td>        Cost/Unit</td> <td style="text-align: right;">₹/Kwh</td> <td></td> <td style="text-align: right;">16.87</td> </tr> <tr> <td>2. Coal [Specify quality &amp; where used]</td> <td></td> <td></td> <td></td> </tr> <tr> <td>    Quantity (Tonnes)</td> <td></td> <td></td> <td style="text-align: right;">--</td> </tr> <tr> <td>    Total Cost</td> <td></td> <td></td> <td style="text-align: right;">--</td> </tr> <tr> <td>    Average Rate</td> <td></td> <td></td> <td style="text-align: right;">--</td> </tr> <tr> <td>3. Furnace Oil (H.S.D. for Brand Drier)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>    Quantity</td> <td style="text-align: right;">L</td> <td></td> <td style="text-align: right;">13715</td> </tr> <tr> <td>    Total Amount</td> <td style="text-align: right;">₹</td> <td></td> <td style="text-align: right;">8,91,127</td> </tr> <tr> <td>    Average Rate</td> <td style="text-align: right;">₹</td> <td></td> <td style="text-align: right;">65.026</td> </tr> <tr> <td>4. Others / internal generation (Please give details)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>    Quantity</td> <td></td> <td></td> <td style="text-align: right;">--</td> </tr> <tr> <td>    Total Cost</td> <td></td> <td></td> <td style="text-align: right;">--</td> </tr> <tr> <td>    Rate / Unit</td> <td></td> <td></td> <td style="text-align: right;">--</td> </tr> </tbody> </table>				Current year	1. Electricity				a) Purchased Units	Kwh		180600	* Total amount	₹		11,05,950	* Rate/Unit	₹/Kwh		6.12	* including Demand charges				b) Own Generation				Through Diesel Generator				Units	Kwh		69849	Units per Ltr.of Diesel Oil	Kwh		3.57	Cost/Unit	₹/Kwh		16.87	2. Coal [Specify quality & where used]				Quantity (Tonnes)			--	Total Cost			--	Average Rate			--	3. Furnace Oil (H.S.D. for Brand Drier)				Quantity	L		13715	Total Amount	₹		8,91,127	Average Rate	₹		65.026	4. Others / internal generation (Please give details)				Quantity			--	Total Cost			--	Rate / Unit	
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	<p>(ii) the steps taken by the company for utilising alternate sources of energy.</p> <p>(iii) the capital investment on energy conservation equipments</p>							
(B)	<p><b>Technology Absorption</b></p> <p>(i) the efforts made towards technology absorption.</p> <p>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution.</p> <p>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</p> <p>(a) the details of technology imported;</p> <p>(b) the year of import;</p> <p>(c) whether the technology been fully absorbed;</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and</p> <p>(iv) the expenditure incurred on Research and Development</p>	<p>The Company continues to keep abreast the developments in the extruder technology and has assimilated the latest technologies in the related fields.</p> <p>Not Applicable</p>						
(C)	<p><b>Foreign Exchange Earnings and Outgo</b></p> <p>The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.</p>	<table> <tr> <td>Earnings</td> <td>-</td> <td>Nil</td> </tr> <tr> <td>Outgoings</td> <td>-</td> <td>Nil</td> </tr> </table>	Earnings	-	Nil	Outgoings	-	Nil
Earnings	-	Nil						
Outgoings	-	Nil						

**ANNEXURE – II TO THE DIRECTORS' REPORT****RELEVANT EXTRACT OF ANNUAL RETURN for the financial year ended on 31<sup>st</sup> March, 2015.****I. REGISTRATION AND OTHER DETAILS**

i.	Corporate Identity Number (CIN) of the Company	L15139GA1984PLC000601
ii.	Registration Date	31 <sup>st</sup> December, 1984
iii.	Name of the Company	Hindustan Foods Limited
iv.	Category / Sub-Category of the Company	Public Company Limited by shares
v.	Address of the Registered office and contact details	Dempo House, Campal, Panaji-Goa 403001 Tel +91 832 2441300, Fax +91 832 2225098
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078 E-Mail: rnt.helpdesk@linkintime.co.in, Tel: +91 22 2594 6970, Fax: +91 22 2594 6969

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Sl. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the company
1.	Manufacturing of Milk and Cereal based baby food, Extruded Snacks Instant Porridge and extruded Cereal products	10794	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section of Companies Act, 2013
1.	<b>Vanity Case (India) Pvt. Ltd.</b> S-15, Jairam Complex, Nevginagar, Panaji-Goa 403001	U74999GA2012 PTC006961	Holding	74.45%	2(46) & 2(87)



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of shareholders	Number of shares held on April 1, 2014				Number of shares held on March 31, 2015				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
Individuals/HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	3722294	Nil	3722294	74.4459	3722294	Nil	3722294	74.4459	Nil
Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A)(1)</b>	<b>3722294</b>	<b>Nil</b>	<b>3722294</b>	<b>74.4459</b>	<b>3722294</b>	<b>Nil</b>	<b>3722294</b>	<b>74.4459</b>	<b>Nil</b>
<b>2. Foreign</b>									
Individuals (Non- Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>3722294</b>	<b>Nil</b>	<b>3722294</b>	<b>74.4459</b>	<b>3722294</b>	<b>Nil</b>	<b>3722294</b>	<b>74.4459</b>	<b>Nil</b>
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds/ UTI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Financial Institutions/ Banks	Nil	300	300	0.0060	Nil	300	300	0.0060	Nil
Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Hindustan Foods Limited**

Category of shareholders	Number of shares held on April 1, 2014				Number of shares held on March 31, 2015				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Insurance Companies	Nil	6900	6900	0.1380	Nil	6900	6900	0.1380	Nil
Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(1)</b>	<b>Nil</b>	<b>7200</b>	<b>7200</b>	<b>0.1440</b>	<b>Nil</b>	<b>7200</b>	<b>7200</b>	<b>0.1440</b>	<b>Nil</b>
<b>2. Non-institutions</b>									
Bodies Corporate	70020	17750	87770	1.7554	71995	17750	89745	1.7949	0.0395
Individuals –									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	84221	917656	1001877	20.0375	112653	885656	998309	19.9662	(0.0713)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	12994	79900	92894	1.8579	15810	77900	93710	1.8742	0.0163
Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)									
i. Clearing Member	1965	Nil	1965	0.0393	2892	Nil	2892	0.0578	0.0185
ii. Non Resident Indian (Repat.)	500	84500	85000	1.7000	700	82700	83400	1.6680	(0.0032)
iii. Non Resident Indian (Non Repat.)	Nil	Nil	Nil	Nil	1450	Nil	1450	0.0290	0.0290
iv. Directors & their relatives	500	500	1000	0.0200	500	500	1000	0.0200	Nil
<b>Sub-Total (B)(2)</b>	<b>170200</b>	<b>1100306</b>	<b>1270506</b>	<b>25.4101</b>	<b>206000</b>	<b>1064506</b>	<b>1270506</b>	<b>25.4101</b>	<b>Nil</b>

Category of shareholders	Number of shares held on April 1, 2014				Number of shares held on March 31, 2015				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Total Public Shareholding (B)= (B)(1)+(B)(2)	170200	1107506	1277706	25.5541	206000	1071706	1277706	25.5541	Nil
C. Shares held by Custodians for GDR's & ADR's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3892494</b>	<b>1107506</b>	<b>5000000</b>	<b>100.0000</b>	<b>3928294</b>	<b>1071706</b>	<b>5000000</b>	<b>100.0000</b>	<b>Nil</b>

### ii) Shareholding of Promoters

Shareholder's name	Number of shares held on April 1, 2014			Number of shares held on March 31, 2015			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Vanity Case (India) Pvt. Ltd.	3722294	74.4459	Nil	3722294	74.4459	Nil	Nil
<b>TOTAL</b>	<b>3722294</b>	<b>74.4459</b>	<b>Nil</b>	<b>3722294</b>	<b>74.4459</b>	<b>Nil</b>	<b>Nil</b>

### iii) Change in Promoters' Shareholding

Shareholder's name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year, April 1, 2014				
Vanity Case (India) Pvt. Ltd.	3722294	74.4459	-	-
<b>TOTAL</b>	<b>3722294</b>	<b>74.4459</b>	<b>-</b>	<b>-</b>

## Hindustan Foods Limited

Shareholder's name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.	-	-	-	-
<b>At the end of the year, March 31, 2015</b>				
Vanity Case (India) Pvt. Ltd.	3722294	74.4459	-	-
<b>TOTAL</b>	<b>3722294</b>	<b>74.4459</b>	<b>-</b>	<b>-</b>

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Top Ten Shareholders	Shareholding as on April 1, 2014		Shareholding as on March 31, 2015	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Krishna Govind Mantri	79900	1.5980	77900	1.5580
3A Capital Services Limited	56090	1.1218	51542	1.0308
Harsha Hitesh Javeri	12994	0.2599	15810	0.3162
Theseus Ventures Limited	-	-	9785	0.1957
V. R. Investments & Finance (P) Ltd.	8600	0.1720	8600	0.1720
Lakshmi M.	1652	0.0330	7500	0.1500
Life Insurance Corporation of India	6900	0.1380	6900	0.1380
Deepak Sunderlal Shah	6250	0.1250	6250	0.1250
Anil Nanda	6000	0.1200	6000	0.1200
Vivek Vassudev Naik	5500	0.1100	5500	0.1100

**v) Shareholding of Directors and Key Managerial Personnel**

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>At the beginning of the year, April 1, 2014</b>				
Dr. A. B. Prasad	500	0.0100	-	-
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.	-	-	-	-
<b>At the end of the year, March 31, 2015</b>				
Dr. A. B. Prasad	500	0.0100	-	-

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(In ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	143584967	13846000	-	157430967
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but no due	15954660	6289762	-	22244422
<b>Total (i+ii+iii)</b>	<b>159539627</b>	<b>20135762</b>	<b>-</b>	<b>179675389</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	3282044	-	3282044
• Reduction	81404649	-	-	81404649
<b>Net Change</b>	<b>(81404649)</b>	<b>3282044</b>	<b>-</b>	<b>(78122605)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	69065704	22000000	-	91065704
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9069274	1417806	-	10487080
<b>Total (i+ii+iii)</b>	<b>78134978</b>	<b>23417806</b>	<b>-</b>	<b>101552784</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in ₹)
	Ganesh T. Argekar	
Gross salary		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
Stock Option	Nil	Nil
Sweat Equity	Nil	Nil
Commission		
- as % of profit	Nil	Nil
- others, specify...		Nil
Sitting Fees	30000	30000
Others, please specify		
- Retirement benefits	Nil	Nil
<b>Total (A)</b>	<b>30000</b>	<b>30000</b>
Ceiling as per the Act	5% of the net profits of the Company	

**B. Remuneration to other Directors**

Particulars of Remuneration	Name of Directors			Total Amount (in ₹)
	Independent Directors	Dr. A. B. Prasad	Adv. Sudin M. Usgaonkar	
Fee for attending board committee meetings	29500	36000	26500	92000
Commission	-	-	-	-
Others, please specify	-	-	-	-
<b>Total (1)</b>	<b>29500</b>	<b>36000</b>	<b>26500</b>	<b>92000</b>
<b>Other Non-Executive Directors</b>	<b>Shrinivas V. Dempo</b>	<b>Soiru V. Dempo</b>	<b>Pallavi S. Dempo</b>	
Fee for attending board committee meetings	37000	36000	-	73000
Commission	-	-	-	-
Others, please specify	-	-	-	-
<b>Total (2)</b>	<b>37000</b>	<b>36000</b>	<b>-</b>	<b>73000</b>
<b>Total (B)=(1+2)</b>				<b>165000</b>
<b>Total Managerial Remuneration (A+B)</b>				<b>195000</b>
Ceiling as per the Act	11% of the net profits of the Company			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Particulars of Remuneration	Key Managerial Personnel			Total Amount (in ₹)
	CEO	Company Secretary	CFO*	
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	111190	111190
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission				
- as % of profit	-	-	-	-
- others, specify...	-	-	-	-
Others, please specify				
- Retirement benefits	-	-	5280	5280
<b>Total</b>	-	-	<b>116470</b>	<b>116470</b>

\* Appointed with effect from February 11, 2015

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## **MANAGEMENT DISCUSSION AND ANALYSIS :**

The Financial Year 2014-15 was extremely good for the Company, and the Company has achieved better financial results during the said period. During the year under review, the Company continued to manufacture intermediate foods for third parties. The Company manufactures 'Kurkure' for M/s. Pepsico India Holdings Pvt. Ltd., and the infant food brands like 'Farex', 'Easum' and 'First Food' for M/s Nutricia International Private Limited, on regular basis. The Company also continues to cater to its existing customer base for its own product 'Bonny Mix', which has been there for a long time. The Company expects to do much better in the time to come, with successful commercial production of 'Kurkure' for M/s. Pepsico India Holdings Pvt. Ltd., and 'Farex', 'Easum' and 'First Food', for M/s. Nutricia International Private Limited, which may give better financial results in future.

Apart from these products, the Company also expects some share of business from M/s. Mankind Pharma Limited and M/s. Himalaya Drug Company, with whom the Company has already entered into agreements to manufacture their products. To sum up, the Company expects to fully utilize its production capacities, which will definitely give better profitability in the time to come.

Your Company is having competent and qualified Food Technologists and Engineers, and takes various initiatives to keep them updated on new technologies and knowledge, to achieve cost effectiveness wherever possible.

The Company enjoys cordial relations with the employees.

Your Company has proper and adequate system of internal control to ensure that all assets are protected and safeguarded. Your Company has well documented operating procedures and authorizations which itself are adequate for internal controls. Adequate internal checks are built in to cover all financial transactions with systematic delegation of authority.

Some of the statements given in the above Management discussions and analysis about the Company's projections, estimates or expectations may be 'forward looking statements'. Actual results may differ substantially from those expressed or implied statements. Your company undertakes no obligations to publicly revise any forward looking statement to reflect future events or circumstances.



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2014-15

(As required under Clause 49 of the Listing Agreement entered into with Stock Exchange)

### Introduction

Your Company has complied in all material respects with the requirements of the Corporate Governance Code as per Clause 49 of the Listing Agreement with the stock exchange.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is given below:

#### 1. Company's philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure efficient conduct of the Company and help the Company achieve its goal in maximizing value for all its stakeholders.

#### 2. Board of Directors ("Board")

##### 2.1 Composition of the Board

As on 31<sup>st</sup> March, 2015, the Company's Board of Directors comprised of seven directors including a non-executive chairman. Of the seven directors, six are non-executive of which three are independent directors and one woman director. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchange.

The names and categories of the Directors on the Board are given below:

Sr. No.	Name	DIN No.	Category	Number of shares held as at March 31, 2015
1.	Mr. Shrinivas V. Dempo (Chairman)	00043413	Non-Independent Non-Executive	Nil
2.	Mrs. Pallavi S. Dempo *	00003489	Non-Independent Non-Executive	Nil
3.	Mr. Soiru V. Dempo	00206062	Non-Independent Non-Executive	Nil
4.	Dr. A. B. Prasad	00817902	Independent Non-Executive	500
5.	Adv. Sudin M. Usgaonkar	00326964	Independent Non-Executive	Nil
6.	Mr. Ashok N. Manjrekar	00496542	Independent Non-Executive	Nil
7.	Mr. Ganesh T. Argekar	06865379	Executive Director	Nil

\* Mrs. Pallavi S. Dempo has been appointed as Additional Director by the Board with effect from March 21, 2015.

**2.2 Attendance of Directors at Board Meetings and Annual General Meeting**

Attendance of each director at the Board Meetings and the last Annual General Meeting (AGM) held during the year and the number of directorships and committee chairmanships/memberships held by them in other companies is given below:

Sr. No.	Name	No. of Board meetings attended during 2014-15		Whether attended last AGM held on September 27, 2014	No. of Directorships in other companies	No. of Committee positions held in other companies	
		Held	Attended			Chairman	Member
1.	Mr. Shrinivas V. Dempo (Chairman)	4	4	No	16 <sup>~</sup>	-	-
2.	Mrs. Pallavi S. Dempo *	None	None	No	3 <sup>~</sup>	-	-
3.	Mr. Soiru V. Dempo	4	4	Yes	9 <sup>~</sup>	-	1
4.	Dr. A. B. Prasad	4	3	Yes	3 <sup>~</sup>	-	1
5.	Adv. Sudin M. Usgaonkar	4	4	No	5 <sup>~</sup>	-	-
6.	Mr. Ashok N. Manjrekar	4	3	No	-	-	-
7.	Mr. Ganesh T. Argekar Executive Director	4	4	Yes	-	-	-

\* Mrs. Pallavi S. Dempo has been appointed as Additional Director by the Board with effect from March 21, 2015.

<sup>~</sup> Includes directorships held in private limited companies, foreign companies and not for profit companies under the Companies Act.

None of the Directors is a member of more than 10 committees nor is a Chairman of more than 5 committees across all the companies in which he/she is a Director. The Committees considered for the above purpose are those specified in Clause 49 of the Listing Agreement i.e. Audit Committee and Stakeholders' Relationship Committee.

**2.3 Meetings of the Board of Directors**

The Board of Directors of the Company met four times during the year 2014-2015 i.e. on May 19, 2014, August 14, 2014, November 10, 2014 and February 11, 2015.

The gap between two meetings did not exceed one hundred and twenty days. The required information as enumerated in Annexure X to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussion and consideration at Board meetings.

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31<sup>st</sup> March, 2015 except for payment of sitting fees.

## 2.4 Remuneration of each Director on the Board

The details of remuneration to each director on the Board during the financial year 2014-15 are as follows:

Sr. No.	Name	Sitting fees** (₹)	Service Contract/ Notice Period/ Severance Fees Pension
1.	Mr. Shrinivas V. Dempo (Chairman)	37,000	Non rotational
2.	Mrs. Pallavi S. Dempo *	Nil	To hold office up to the date of the ensuing AGM
3.	Mr. Soiru V. Dempo	36,000	Retirement by rotation
4.	Dr. A. B. Prasad	29,500	5 years up to the AGM of 2019
5.	Adv. Sudin M. Usgaonkar	36,000	5 years up to the AGM of 2019
6.	Mr. Ashok N. Manjrekar	26,500	5 years up to the AGM of 2019
7.	Mr. Ganesh T. Argekar Executive Director	30,000	3 years w.e.f 19.05.2014
	<b>Total</b>	<b>1,95,000</b>	

\* Mrs. Pallavi S. Dempo has been appointed as Additional Director by the Board with effect from March 21, 2015.

\*\* sitting fees include payments for Board appointed committee meetings.

## 2.5 Familiarisation Programme for Directors

The Executive Director of the Company provides a brief of the industry and business of the Company to the newly appointed director and also has a discussion to familiarize him / her with the Company's operations. At the time of regularization of the appointment of an Independent Director, the appointment is formalized by issuing a letter to the director, which inter alia explains the role, function, duties and responsibilities expected of him/her as a director of the Company. The Company also from time to time familiarizes the Independent Directors about the Company, its product, business and the on-going events relating to the Company through presentations.

## 3. Audit Committee

### 3.1 Details of the Composition of the Audit Committee, meetings and attendance of the members are as follows:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the stock exchange read with Section 177 of the Companies Act, 2013.

The Audit Committee comprises of 3 Independent, Non-Executive Directors namely Dr. A. B. Prasad (Chairman), Adv. Sudin M. Usgaonkar and Mr. Ashok N. Manjrekar. The Committee reviews various aspects of internal controls and the internal auditors' report. The requirements under Clause 49 of the Listing Agreement as amended from time-to-time are also reviewed by the committee.

The Audit Committee has met four times during the financial year 2014-2015 on:  
May 19, 2014, August 14, 2014, November 10, 2014 and February 11, 2015.

Details of meetings attended by the members of the Audit Committee during the financial year 2014-2015 are as follows:

Committee Members	Designation	Committee Meetings	
		Held	Attended
Dr. A. B. Prasad	Chairman	4	3
Adv. Sudin M. Usgaonkar	Member	4	4
Mr. Ashok N. Manjrekar	Member	4	3

### 3.2 Terms of reference

The terms of reference and power of the Audit Committee are as per Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. The function of the Audit Committee is as per Listing Agreement with Stock Exchange. These include review of accounting and financial policies and procedures, review of financial reporting system, adequacy of internal Control systems / internal audit function and risk management policies.

## 4. Nomination and Remuneration Committee

### 4.1 Details of the Composition of the Nomination and Remuneration Committee and attendance of the members are as follows:

The Nomination and Remuneration Committee of the Company comprises of three directors all of whom are non-executive directors namely Mr. Shrinivas V. Dempo, Mr. Ashok N. Manjrekar and Dr. A. B. Prasad.

The Committee met once during the year 2014-15 on March 19, 2015.

The details are as follows:

Committee Members	Committee Meetings	
	Held	Attended
Mr. Shrinivas V. Dempo	1	1
Mr. Ashok N. Manjrekar (Chairman)	1	1
Dr. A. B. Prasad	1	1

### 4.2 Key Objectives

The Key Objectives of the Committee are:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

### 4.3 Nomination and Remuneration Policy

The Company has formulated a Nomination and Remuneration Policy and the same has been uploaded on the website of the Company at [www.hflgoa.com](http://www.hflgoa.com)

## 5. Share Transfer, Investors' Grievance and Stakeholders Relationship Committee

### 5.1 Details of the Composition of the Share Transfer, Investors' Grievance and Stakeholders Relationship Committee, meetings and attendance of the members are as follows:

The Share Transfer, Investors' Grievance and Stakeholders Relationship Committee of the Company comprises of three directors namely Mr. Shrinivas V. Dempo, Mr. Soiru V. Dempo and Dr. A. B. Prasad.

The Committee met 8 times during the year 2014-15. The details are as follows:

Committee Members	Committee Meetings	
	Held	Attended
Mr. Shrinivas V. Dempo, Chairman	8	8
Mr. Soiru V. Dempo	8	8
Dr. A. B. Prasad	8	8

### 5.2 Terms of reference

The Committee is empowered to consider and approve the physical transfer/ transmission/transposition of shares, issue of new/duplicate share certificates and oversees and reviews all matters connected with securities transfer. The Committee also specifically looks into the redressal of shareholders' and investors' complaints/grievances pertaining to transfer of shares, etc.

### 5.3 Details of Shareholders' letters / complaints

As per the report from the Registrar & Share Transfer Agents, 57 letters / complaints were received from the shareholders / investors during the financial year ended March 31, 2015. The letters/ complaints received were replied / resolved to the satisfaction of the shareholders.

### 5.4 Compliance Officer

Name, designation and address of Compliance Officer under Clause 47 of the Listing Agreement with the stock exchanges:

Beena M. Mahambrey, Company Secretary  
**Hindustan Foods Limited**  
 Dempo House, Campal,  
 Panaji-Goa 403001  
 Tel.: (0832) 2441381 Fax: (0832) 2225098  
 Email: [hfl@dempos.com](mailto:hfl@dempos.com)

## 6. Independent Directors Meeting

The Independent Directors met on March 31, 2015, inter alia, to discuss evaluation of performance of Non-Independent Directors, Audit Committee members, the Board of Directors as a whole, and the Chairman of the Company, and also evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**7. General Meetings and Postal Ballot**

**7.1 Location, date & time of Annual General Meeting (AGM) for the last 3 years are as under:**

Year	Location	Date & Time
2012 - 27 <sup>th</sup> AGM	Dempo House, Campal, Panaji-Goa 403 001	December 18, 2012 at 10.30 a.m.
2013 - 28 <sup>th</sup> AGM	Dempo House, Campal, Panaji-Goa 403 001	December 14, 2013 at 10.30 a.m.
2014 - 29 <sup>th</sup> AGM	Dempo House, Campal, Panaji-Goa 403 001	September 27, 2014 at 10.30 a.m.

In pursuance of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, as well as pursuant to Clause 35B of the Listing Agreement with the Stock Exchange, the Company provided electronic voting facility to the members entitled to cast their vote at the last AGM and to those members who did not have access to e-voting facility the Company provided assent/dissent forms for conveying their assent / dissent to each one of the item of business transacted at the AGM. Similar voting rights were provided to the members present, in person and through proxies at the AGM, to vote in proportion to the shares held by them through Poll.

CS Sadashiv V. Shet, Practicing Company Secretary (Membership No. 2477) was appointed as the Scrutinizer to scrutinize the e-voting / poll process at the last AGM.

The following is/are the special resolution(s) passed at the AGM:

AGM held on	Special Resolution passed	Summary
December 18, 2012	No	N.A.
December 14, 2013	No	N.A.
September 27, 2014	Yes	Borrowing an amount not exceeding ₹ 25 crore.

**7.2 Postal Ballot**

For the year ended March 31, 2015, there has been no ordinary or special resolution passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

**8. Disclosures**

**8.1 Materially significant related party transactions**

During the year under review, there were no transactions between the Company and the Promoters, Directors or Management, their subsidiaries or relatives, etc. that had a potential conflict with the interests of the Company at large.

**8.2 Statutory Compliance, Penalties and Strictures**

There were no instances of non-compliance or penalties, strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority, on any matter related to capital markets, during the last three years.

**8.3 Listing Agreement compliance**

Pursuant to sub-clause X (B) of Clause 49, the Company confirms that it has complied with all mandatory requirements prescribed in Clause 49 of the Listing Agreement.

#### **8.4 Code of Conduct:**

A revised Code of Conduct for the Board Members and Senior Management of the Company has been formulated which is posted on the Company's website [www.hflgoa.com](http://www.hflgoa.com). Requisite annual affirmations of compliance with the code have been made by the Directors and Senior Management of the Company.

The declaration of the Executive Director is given below:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, I, Ganesh T. Argekar, Executive Director of Hindustan Foods Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Revised Code of Conduct during the financial year ended March 31, 2015.

Panaji-Goa.  
May 26, 2015

Ganesh T. Argekar  
Executive Director

#### **8.5 CEO/CFO Certification**

The CEO and CFO Certification of the financial statements for the year, is enclosed at the end of the report.

#### **8.6 Cost Compliance Certificate**

The Company has obtained Cost Compliance Certificate from Mr. Dilip M. Vengulekar, Cost Accountant (Firm Registration no. 100623) for the Financial Year 2013-14 as per the provisions of Companies (Cost Accounting Record) Rules, 2011.

#### **8.7 Whistle Blower Policy**

The Company has in place a Vigil Mechanism / Whistleblower Policy. The policy provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

### **9. Means of Communication**

The quarterly unaudited financial results were published in the Financial Express / Navhind Times (English Dailies) and Navprabha (Marathi Daily). The results were also displayed on the Company's web-site at [www.hflgoa.com](http://www.hflgoa.com). The shareholders can access the Company's web-site for financial information, shareholding information etc.

No presentations have been made to institutional investors/analysts during the financial year.

The Management Discussion and Analysis report is provided separately as a part of this Annual Report.

### **10 General Shareholder Information:**

#### **10.1 Annual General Meeting**

Date and Time	:	Wednesday, the 12 <sup>th</sup> of August, 2015 at 10.30 a.m.
Venue	:	Dempo House, Campal, Panaji-Goa 403 001

**10.2 Financial Year Calendar (2015-2016)**

(Tentative and subject to change)

Results for quarter ending June 30, 2015	By August 15, 2015
Results for quarter ending September 30, 2015	By November 15, 2015
Results for quarter ending December 31, 2015	By February 15, 2016
Results for quarter ending March 31, 2016	By May 15, 2016
Annual General Meeting for the year ending March 31, 2016	By September, 2016

**10.3 Book Closure Date**

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from Thursday, the 6<sup>th</sup> of August, 2015 to Wednesday, the 12<sup>th</sup> of August, 2015 (both days inclusive).

**10.4 Listing of Equity Shares**

The Company's shares are listed on Bombay Stock Exchange Limited (BSE).

**10.5 Stock Codes**

<b>Name of Stock Exchange</b>	<b>Scrip Code</b>	<b>Demat ISIN Number in NSDL &amp; CDSL</b>
Bombay Stock Exchange Ltd.	519126	INE254N01018

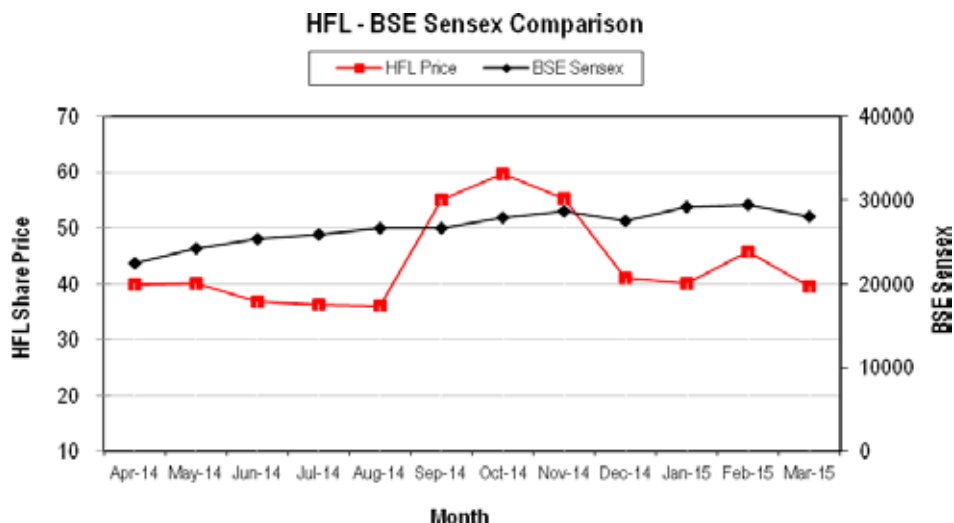
**10.6 Market Price Data (In ₹)**

Month	Bombay Stock Exchange (BSE)		
	High	Low	Volume
April 2014	43.00	37.00	2,434
May 2014	41.65	38.00	4,240
June 2014	39.00	33.30	6,782
July 2014	38.25	34.85	2,026
August 2014	36.00	35.00	415
September 2014	55.10	36.50	6,659
October 2014	67.30	56.40	11,126
November 2014	58.55	55.20	291
December 2014	54.10	39.00	1,318
January 2015	45.00	38.55	12,999
February 2015	45.90	38.05	3,568
March 2015	51.25	35.95	4,073

(Source: The information is compiled from the data available on the BSE and NSE websites)



## 10.7 Share price performance in comparison to broad based indices – BSE Sensex



## 10.8 Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.  
 C-13, Pannalal Silk Mills Compound,  
 LBS Marg, Bhandup (West), Mumbai 400 078  
 Ph.: (022) 25946970 Fax: (022) 2594 6969  
 Email: rnt.helpdesk@linkintime.co.in

## 10.9 Share Transfer System

Share Transfers in physical form can be lodged with the Company's Registrar and Share Transfer Agents. The Company in order to improve the quality of services to investors, process share transfer requests within the stipulated time and for reasons of convenience, has given powers to its Registrar and Share Transfer Agents to approve and effect the transmission/transfer/transposition of shares and give effect to dematerialization requests. Shares held in dematerialized form are traded electronically in the Depositories. As at March 31, 2015 no equity shares were pending for transfer.

As per the requirement of Clause 47 (c) of the Listing Agreement with the stock exchanges, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

The Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with the Securities and Exchange Board of India (SEBI) requirements. The audit reports for the financial year under report have been filed with the stock exchanges within one month of the end of each quarter.

### 10.10 Distribution of Shareholding

#### Distribution Schedule as on March 31, 2015

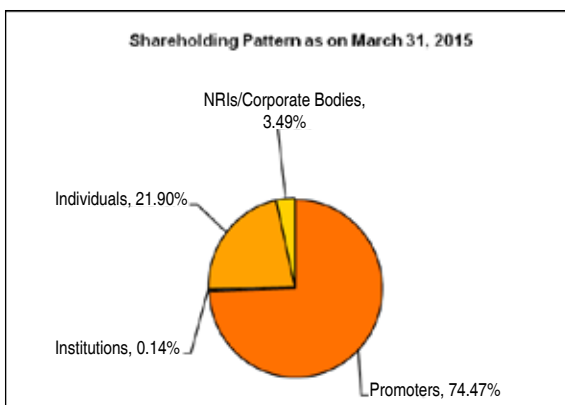
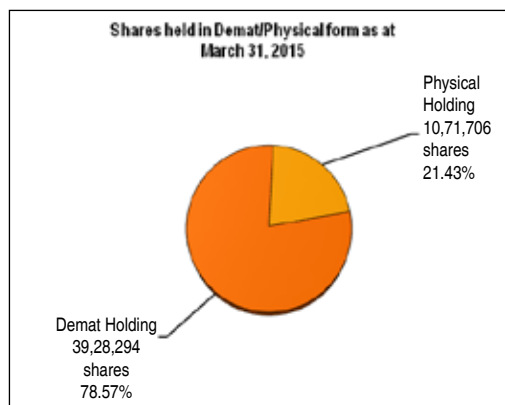
No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% to Total
Upto 500	5,918	96.70	8,60,332	17.21
501 to 1000	134	2.19	1,03,198	2.06
1001 to 2000	38	0.62	52,812	1.06
2001 to 3000	9	0.14	23,389	0.47
3001 to 4000	4	0.07	14,649	0.29
4001 to 5000	6	0.10	27,539	0.55
5001 to 10000	7	0.11	50,535	1.01
10001 and above	4	0.07	38,67,546	77.35
<b>TOTAL</b>	<b>6,120</b>	<b>100.00</b>	<b>50,00,000</b>	<b>100.00</b>

#### Distribution of Shareholding (Categorywise) as on March 31, 2015

Category	No. of share-holders	No of Shares held	% of share-Holding
Promoters, Directors, their relatives & Associates	3	37,23,294	74.47
Financial Institutions / Banks	2	7,200	0.14
Bodies Corporate	35	89,745	1.79
Non-Resident Indians (NRI's)	305	84,850	1.70
Resident Individuals / Trusts	5,774	10,92,019	21.84
Clearing Members	1	2,892	0.06
<b>TOTAL</b>	<b>6,120</b>	<b>50,00,000</b>	<b>100.00</b>

### 10.11 Dematerialisation of shares and liquidity

As on March 31, 2015, 78.57% of the Company's paid-up capital representing 39,28,294 shares were held in dematerialized form as compared to 77.85% of the Company's paid-up capital representing 38,92,494 shares as on March 31, 2014.



## 10.12 Outstanding GCRs/ADRs/Warrants or any Convertible instruments

- Nil -

## 10.13 Plant Location

Usgao,  
Ponda-Goa, 403407

## 10.14 Address for correspondence

Investor correspondence for transfer / dematerialisation of shares and any other query relating to the shares of the Company should be addressed to -

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West), Mumbai 400078  
Ph.: (022) 25946970 Fax: (022) 2594 6969  
Email: rnt.helpdesk@linkintime.co.in

For investors assistance / complaints, if any –

Mrs. Beena M. Mahambrey  
Company Secretary  
Hindustan Foods Limited  
Dempo House, Campal,  
Panaji - Goa 403001.  
Tel.: (0832) 2441381  
Fax: (0832) 2225098  
Email: hflinvestorrelations@demos.com

## 10.15 Status of compliance with Non Mandatory requirements

Clause 49 of the Listing Agreement also requires disclosures of adoption by the Company of non-mandatory requirements specified in the said clause, the implementation of which is discretionary on the part of the Company. Accordingly, the adoption of non-mandatory requirements is given below:-

- i) **The Board:**  
An office with required facilities for the non-executive Chairman is not provided and maintained by the Company.
- ii) **Shareholders Rights:**  
The half yearly financial results are not sent to the shareholders as the same are posted on the web-site of the Company.
- iii) **Audit Qualifications:**  
During the year under review, there were no audit qualifications in the financial statements.
- iv) **Separate posts of Chairman and CEO:**  
The Chairman of the Company is a Non-executive Director and his position is separate from that of the Executive Director.
- v) **Reporting of Internal Auditor:**  
The Internal Auditor reports directly to the Audit Committee.

To,  
The Members,  
**Hindustan Foods Limited**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of the conditions of Corporate Governance by Hindustan Foods Limited for the year ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the verification of 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:

We certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For R. SUNDARARAMAN & CO.**  
*Chartered Accountants*  
(Registration No: 004219S)

**S. SRIRAM**  
Partner  
Membership No : 202813

Place: Chennai  
Date: May 26, 2015

## **CEO & CFO CERTIFICATE UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT**

We, Ganesh T. Argekar, Executive Director and Kedarnath Swain, Chief Financial Officer of Hindustan Foods Limited, ("Company") hereby certify that :-

- (a) We have reviewed financial statement and the cash flow statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2015 and that to the best of our knowledge and belief.
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) 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.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial period, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- (i) Significant changes in internal control over financial reporting during the financial period;
  - (ii) Significant changes in accounting policies during the financial period and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Ganesh T. Argekar**  
*Executive Director*  
DIN:06865379

**Kedarnath Swain**  
*Chief Financial Officer*

Place: Panaji-Goa.  
Date : May 26, 2015

**SECRETARIAL AUDIT REPORT**  
**FORM MR- 3**

*Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014*

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015.**

To,  
The Members,  
Hindustan Foods Limited  
Dempo House, Campal,  
Panaji – Goa, 403001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HINDUSTAN FOODS LIMITED**, (hereinafter called the “company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **HINDUSTAN FOODS LIMITED’S** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; ..... **Not applicable**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), 2008; ..... **Not applicable**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ..... **Not applicable**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ..... **Not applicable**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.... **Not applicable during the Audit Period.**
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report** that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions are taken unanimously after taking into consideration views, opinions expressed by all the members.

**I further report** that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report** that during the audit period there are no instances of:

- (i) Public/Rights/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

**Sadashiv V Shet**  
Practicing Company Secretary  
FCS No. 2477  
C P No.: 2540

Date: 22.05.2015  
Place: Panaji-Goa

### 'Annexure A'

(My report of even date is to be read with this Annexure.)

1. Maintaining the Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Sadashiv Shet**  
Practicing Company Secretary  
FCS No. 2477  
C.P. No. 2540

Date: 22.05.2015  
Place: Panaji-Goa.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HINDUSTAN FOODS LIMITED

### 1. Report on the Financial Statements

We have audited the attached Balance Sheet of **M/s. Hindustan Foods Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the then year ended, and a summary of the significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act 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, 2015;
- 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 the Cash Flow Statement, of the cash flows for the year ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) 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.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For R. SUNDARARAMAN & CO.,**  
Chartered Accountants  
(Registration No : 004219S)

**S. SRIRAM**  
Partner  
Membership No : 202813

Place : Chennai  
Date : May 26, 2015

## ANNEXURE TO AUDITOR'S REPORT

On the basis of the records produced to us for our verification / perusal, such checks as we considered appropriate and in terms of information and explanation given to us on our enquiries, we state that :

- 1) In respect of fixed assets :
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management during the year in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- 2) In respect of inventories :
  - a) As explained to us, the stock of inventory has been physically verified by the management at the close of the year.
  - b) In our opinion, the procedures followed by the management for physical verification of inventories are reasonable and adequate in relation to the size of the Company and the nature of business.
  - c) The Company has maintained proper records of inventories. As explained to us, the discrepancies noticed between physical verification of stocks and book records were not material, and the same have been properly dealt with in the books of account.
- 3) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and therefore the provisions of this clause of the Companies (Auditors Report) Order, 2015 is not applicable.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weaknesses have been observed in the internal controls.
- 5) The Company has not accepted any deposits from the public requiring compliance of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- 6) We were informed that the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013, in respect of the activities carried on by the Company.
- 7) In respect of statutory dues.
  - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, sales tax, custom duty, excise duty, cess, service tax and other material statutory dues applicable to it.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of sales tax, custom duty, excise duty, service tax and cess were in arrears, as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of sales tax, custom duty, excise duty, service tax and cess, which have not been deposited on account of any dispute, except for the following :

Year	Details	Amount (Rs.)	Pending Before
2013-14	Cenvat Credit claimed on Capital Goods	27,15,489/-	Office of The Superintendent of Central Excise & Service Tax, Usgaon

- d) According to the information and explanations given to us, there are no amounts required to be transferred to Investor Education and Protection Fund.
- 8) The Company is having accumulated losses in excess of 50% of its net worth as on 31<sup>st</sup> March 2015 and the Company has incurred cash losses in the previous financial year.
- 9) According to the information and explanations given and the records examined by us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- 10) In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks and Financial Institutions.
- 11) As per the records of the Company and information and explanations given to us, the Company has not taken any term loan.
- 12) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.

**For R. SUNDARARAMAN & CO.,**  
Chartered Accountants  
(Registration No : 004219S)

**S. SRIRAM**  
Partner  
Membership No : 202813

Place : Chennai  
Date : May 26, 2015

**BALANCE SHEET AS AT 31ST MARCH 2015**

(All Amount in Rupees)

Sr. No.	Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders Funds</b>			
	(a) Share Capital	3	6,60,00,000	6,60,00,000
	(b) Reserves & Surplus	4	(6,56,93,422)	(9,05,28,830)
<b>2</b>	<b>Non Current Liabilities</b>			
	(a) Long Term Borrowings	5	9,10,65,704	15,74,30,967
	(b) Other Long Term Liabilities	6	1,12,88,872	1,37,75,963
	(c) Long Term Provisions	7	9,74,276	8,94,334
<b>3</b>	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	8	52,23,154	56,61,856
	(b) Trade Payables	9	5,45,55,941	1,60,41,510
	(c) Other Current Liabilities	10	82,64,391	3,08,88,144
	<b>Total</b>		<b>17,16,78,916</b>	<b>20,01,63,944</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non Current Assets</b>			
	(a) Fixed Assets	11		
	(i) Tangible Assets		8,97,34,908	8,12,00,906
	(ii) Intangible Assets		1	1
	(iii) Capital Work in Progress		2,24,63,754	3,12,25,961
	(b) Long Term Loans and Advances	12	66,000	22,50,086
	(c) Other Non Current Assets	13	-	2,89,56,033
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	14	2,65,75,235	1,22,34,233
	(b) Trade Receivables	15	2,26,36,701	3,39,23,341
	(c) Cash and Bank Balances	16	7,46,375	3,05,647
	(d) Short Term Loans and Advances	17	91,86,038	98,59,667
	(e) Other Current Assets	18	2,69,904	2,08,069
	<b>Total</b>		<b>17,16,78,916</b>	<b>20,01,63,944</b>

Significant Accounting Policies &amp; Notes on Accounts

1 &amp; 2

Vide our Report of even date  
For **R. Sundararaman & Co.,**  
Chartered Accountants

For and on behalf of Board of Directors

**S. SRIRAM**  
Partner  
Membership No : 202813

**Shrinivas V. Dempo**  
Chairman  
DIN:00043413

**Ganesh T. Argekar**  
Executive Director  
DIN:06865379

**Beena M. Mahambrey**  
Company Secretary

**Kedarnath Swain**  
Chief Financial Officer

Place : Chennai  
Date : 26th May, 2015

Place : Panjim  
Date : 26th May, 2015

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(All Amount in Rupees)

Sr. No.	Particulars	Note No.	12 Months Ended 31st March, 2015	6 Months Ended 31st March, 2014
I	Revenue from Operations	19	18,19,00,294	3,31,48,917
	Less : Excise Duty		76,62,608	13,76,652
			<b>17,42,37,686</b>	<b>3,17,72,265</b>
II	Other Income	20	11,06,70,108	27,649
III	<b>Total Revenue ( I + II )</b>		<b>28,49,07,794</b>	<b>3,17,99,913</b>
IV	<b>Expenses</b>			
	Cost of Materials Consumed	21	10,22,47,604	1,69,95,367
	Changes in Inventories of Finished Goods & WIP	22	(1,19,35,638)	(18,97,628)
	Employee Benefits Expense	23	3,61,86,405	79,29,744
	Finance Costs	24	1,55,14,897	68,55,334
	Depreciation		1,29,68,032	14,68,268
	Other Expenses	25	10,49,02,143	1,37,44,703
	<b>Total Expenses</b>		<b>25,98,83,443</b>	<b>4,50,95,788</b>
V	<b>Profit before Tax ( III - IV )</b>		<b>2,50,24,352</b>	<b>(1,32,95,875)</b>
VI	Tax Expense			
	(a) Current Tax		-	-
	(b) Prior Year Tax		-	-
VII	<b>Profit after Tax ( V - VI )</b>		<b>2,50,24,352</b>	<b>(1,32,95,875)</b>
VIII	Earnings per Equity Share (of Rs.10/- each)			
	Basic		5.00	(2.66)
	Diluted		5.00	(5.32)

Significant Accounting Policies & Notes on Accounts 1 & 2

Vide our Report of even date  
For **R. Sundaraman & Co.,**  
Chartered Accountants

For and on behalf of Board of Directors

**S. SRIRAM**  
Partner  
Membership No : 202813

**Shrinivas V. Dempo**  
Chairman  
DIN:00043413

**Ganesh T. Argekar**  
Executive Director  
DIN:06865379

**Beena M. Mahambrey**  
Company Secretary

**Kedarnath Swain**  
Chief Financial Officer

Place : Chennai  
Date : 26th May, 2015

Place : Panjim  
Date : 26th May, 2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

S. No.	Particulars	12 months ended 31st March, 2015		6 months ended 31st March, 2014	
<b>A</b>	<b>Cash Flow from Operating Activities</b>				
	Net Profit / (Loss) before Tax		2,50,24,352		(1,32,95,875)
	Adjustments :				
	Depreciation	1,29,68,032		14,68,268	
	Interest Received	(81,099)		(23,651)	
	Credit Balances written back	(3,43,304)		(1,567)	
	Loans written back	(11,05,88,178)		-	
	Interest / Finance Charges	1,54,04,291		68,55,334	
	Assets Written off	-		2,45,477	
	Bad Debts	2,49,54,838	(5,76,85,420)	-	85,43,862
	Operating Cash Flow before Working Capital changes		(3,26,61,068)		(47,52,013)
	<b>Changes in Working Capital</b>				
	Adjustments for (Increase) / Decrease in Operating Assets :				
	Inventories	(1,43,41,002)		(4,67,019)	
	Trade Receivables	(1,36,68,198)		30,12,068	
	Term Deposits	(4,50,000)		-	
	Short Term Loans & Advances	11,22,492		(18,79,452)	
Long Term Loans & Advances	21,84,086		1,39,10,777		
Other Non Current Assets	2,89,56,033		-		
Adjustments for Increase / (Decrease) in Operating Liabilities :					
Other Long Term Liabilities	(24,87,091)		1,05,87,935		
Trade Payables	6,40,80,650		1,36,365		
Other Current Liabilities	(2,26,23,754)		1,22,24,105		
Long Term Provisions	79,942	4,28,53,158	75,925	3,76,00,704	
Cash generated from Operations		1,01,92,089		3,28,48,691	
Direct Taxes (Net)		(4,48,864)		(2,39,474)	
<b>Net Cash Flow from Operating Activities</b>		<b>97,43,226</b>		<b>3,26,09,217</b>	
<b>B</b>	<b>Cash Flow from Investing Activities</b>				
	Purchase of Fixed Assets	(1,29,28,770)		(3,17,16,642)	
	Interest Income	19,264		1,654	
<b>Net Cash Flow from Investing Activities</b>		<b>(1,29,09,506)</b>		<b>(3,17,14,988)</b>	
<b>C</b>	<b>Cash Flow from Financing Activities</b>				
	Interest / Finance Charges	(1,54,04,291)		(68,55,334)	
	Increase in Share Capital	-		-	
	Long Term Borrowings (Net)	1,90,00,000		47,58,000	
	Short Term Borrowings (Net)	(4,38,702)		6,17,533	
<b>Net Cash Flow from Financing Activities</b>		<b>31,57,007</b>		<b>(14,79,801)</b>	
Net Increase / (Decrease) in Cash & Cash Equivalents		(9,274)		(5,85,572)	
Opening Balance in Cash & Cash Equivalents		56,858		6,42,431	
Closing Balance in Cash & Cash Equivalents		47,586		56,859	

Vide our Report of even date  
For **R. Sundararaman & Co.,**  
Chartered Accountants

**S. SRIRAM**  
Partner  
Membership No : 202813

Place : Chennai  
Date : 26th May, 2015

For and on behalf of Board of Directors

**Shrinivas V. Dempo**  
Chairman  
DIN:00043413

**Beena M. Mahambrey**  
Company Secretary

Place : Panjim  
Date : 26th May, 2015

**Ganesh T. Argekar**  
Executive Director  
DIN:06865379

**Kedarnath Swain**  
Chief Financial Officer

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 1. CORPORATE INFORMATION

Hindustan Foods Ltd ("the Company") was incorporated in the year 1984 and is engaged in the business of manufacturing Cereal Based Foods with its domicile presence in Goa.

### 2. SIGNIFICANT ACCOUNTING POLICIES :

#### i) **Accounting Conventions:**

The Financial Statements of the Company have been prepared and presented under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

#### ii) **Fixed Assets :**

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation. Depreciation is provided on straight line method at the rates and in the manner specified in Part 'C' of Schedule II of the Companies Act, 2013.

#### iii) **Inventories :**

Inventories are valued at lower of cost or the net realizable value.

#### iv) **Revenue Recognition :**

Revenue from Sales is recognized on dispatch of goods from the factory.

Revenue from Processing Charges is recognized on production of processed goods for the Principal.

#### v) **Employee Benefits :**

##### a) **Short Term Employee Benefits:**

Short term employee benefits including accumulated compensated absences determined as per company's policy/scheme are recognized as expense based on expected obligation on undiscounted basis.

##### b) **Defined Contributions:**

Fixed contributions to the Superannuation Fund which is administered and managed by Life Insurance Corporation of India and Fixed contributions to Employees State Insurance Corporation (ESIC) are charged to profit and loss account.

The Company also contributes to a government administered Provident and Pension Fund on behalf of its employees, which are charged to profit and loss account.

##### c) **Defined Benefit :**

The Liability for Gratuity to employees as at Balance sheet date is determined on the basis of actuarial valuations and is funded to a Gratuity Fund administered and managed by Life Insurance Corporation of India. The Liability thereof is paid and absorbed in the accounts.

Contributions to Provident Fund are charged to profit and loss accounts and are remitted to an approved exempted trust.

d) **Long term Compensated absences :**

In respect of long term portion of compensated absences (Leave benefits), the liability is determined on the basis of actuarial valuation and is provided for accordingly.

vi) **Borrowing Costs :**

Borrowing Costs on specific loans attributable to the acquisition or construction of asset are capitalized. All other borrowing costs are accounted in Profit & Loss Account.

vii) **Deferred Tax:**

Deferred Tax is recognized on all timing differences subject to the consideration of prudence.

viii) **Miscellaneous Expenditure :**

Share issue, Sales promotion and product launch expenditure have been fully written off during the year.

Note No.	Particulars	As at 31st March, 2015		As at 31st March, 2014	
		Number	Rs.	Number	Rs.
3.	<b>Shareholder's Funds - Share Capital</b>				
	<b>Authorised</b>				
	Equity Shares of Rs. 10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	9% Redeemable, Non Convertible Preference Shares of Rs. 100/- each	2,00,000	2,00,00,000	2,00,000	2,00,00,000
	<b>Issued, Subscribed &amp; Fully paid-up</b>				
	Equity Shares of Rs.10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	9% Redeemable, Non Convertible Preference Shares of Rs. 100/- each	1,60,000	1,60,00,000	1,60,000	1,60,00,000
	<b>Total</b>	<b>51,60,000</b>	<b>6,60,00,000</b>	<b>51,60,000</b>	<b>6,60,00,000</b>

i) Disclosure of number of shares outstanding for each class of shares as at

a) <b>Equity Shares</b>				
Shares outstanding at the beginning of the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Shares outstanding at the end of the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000
b) <b>Preference Shares</b>				
Shares outstanding at the beginning of the year	1,60,000	1,60,00,000	1,60,000	1,60,00,000
Shares outstanding at the end of the year	1,60,000	1,60,00,000	1,60,000	1,60,00,000

ii) Terms and Rights attached to Shares

The Company has two class of shares. The Equity Shares have a par value of Rs. 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Preference Shares have par value of Rs. 100/- per share and carry dividend of 9% per annum from the date of allotment. The dividend shall be payable at the time of declaration of dividend on Equity Shares. The Preference Shares shall be redeemed not later than 19 years from the date of issue.



In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution shall be in proportion to the equity shares held by the shareholders.

iii) Disclosure of more than 5% shareholding

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Equity Shares held	% Holding	No. of Equity Shares held	% Holding
M/s. Vanity Case (India) Private Limited	37,22,294	74.44%	37,22,294	74.44%
	No. of Preference Shares held	% Holding	No. of Preference Shares held	% Holding
M/s. V. S. Dempo Holdings Private Limited	1,60,000	100.00%	1,60,000	100.00%

Note No.	Particulars	(All Amount in Rupees)	
		Year Ended 31st March 2015	Period Ended 31st March 2014
<b>4.</b>	<b>Reserves &amp; Surplus</b>		
	Capital Reserve		
	Opening & Closing Balance	4,800	4,800
	Surplus		
	Opening Balance	(9,05,33,630)	(7,72,37,755)
	Add : Value of Fixed Assets with useful life completed w/off	(1,88,944)	-
	Less : Net Profit / (Loss) for the current year	2,50,24,352	(1,32,95,875)
	Closing Balance	(6,56,98,222)	(9,05,33,630)
	<b>Total</b>	<b>(6,56,93,422)</b>	<b>(9,05,28,830)</b>
<b>5.</b>	<b>Long Term Borrowings</b>		
	<b>Secured Loans</b>		
	Loans from V S Dempo Holdings Private Limited (The above loan is at interest rate of 12%)	6,90,65,704	10,39,01,967
	Loans from V S Dempo Holdings Private Limited (The above loan is interest free)	-	3,96,83,000
	<b>Unsecured Loans</b>		
	Loan from Marmagaoa Shipping & Stevedoring Co Pvt Ltd (The above loan is interest free)	-	12,50,000
	Loan from Dempo Industries Private Limited (The above loan is at interest rate of 10%)	-	95,96,000
	Loan from Motown Investment Private Limited (The above loan is at interest rate of 12%)	1,60,00,000	30,00,000
	Loan from The Vanity Case India Private Limited (The above loan is interest free)	60,00,000	-
	<b>Total</b>	<b>9,10,65,704</b>	<b>15,74,30,967</b>

**Hindustan Foods Limited**

Note No.	Particulars	(All Amount in Rupees)	
		Year Ended 31st March 2015	Period Ended 31st March 2014
6.	<b>Other Long Term Liabilities</b>		
	Creditors for Capital Purchases	1,12,88,872	1,37,75,963
	<b>Total</b>	<b>1,12,88,872</b>	<b>1,37,75,963</b>
7.	<b>Long Term Provisions</b>		
	Provision for Employee Benefits	9,74,276	8,94,334
	<b>Total</b>	<b>9,74,276</b>	<b>8,94,334</b>
8.	<b>Short Term Borrowings</b>		
	<b>Secured</b>		
	Loans repayable on demand from Bank		
	- Cash Credit from Bank of Maharashtra (Secured by hypothecation of stock and book debts)	(50,656)	16,21,540
- Cash Credit from Bank of Maharashtra (Secured by pledge of fixed deposits of V S Dempo Holdings Private Limited)	52,73,810	40,40,316	
	<b>Total</b>	<b>52,23,154</b>	<b>56,61,856</b>
9.	<b>Trade Payables</b>		
	Trade Payables	5,45,55,941	1,60,41,510
	<b>Total</b>	<b>5,45,55,941</b>	<b>1,60,41,510</b>
10.	<b>Other Current Liabilities</b>		
	Statutory Liabilities including Withholding taxes	8,81,815	62,561
	Other Liabilities	-	2,22,44,422
	Accrued Employee Benefits	6,99,508	6,22,637
	Accrued Expenses	8,52,948	19,01,102
	Advances from Customers	58,30,120	60,57,422
	<b>Total</b>	<b>82,64,391</b>	<b>3,08,88,144</b>

(All amount in Rupees)

**Note 11 : Fixed Assets**

Sr. No.	Fixed Assets	Rate	Gross Block			Accumulated Depreciation			Net Block		
			Bal as at 01.04.2014	Additions	Deductions	Bal as at 31.03.2015	Bal as at 01.04.2014	Depreciation on Charge	Deduction/ Adjustment	Adjusted in Retained Earnings	Bal as at 31.03.2015
a)	<b>Tangible Assets</b>										
	Freehold Land & Devt	-	5,57,490	-	-	5,57,490	-	-	-	5,57,490	5,57,490
	Buildings	3.17%	3,62,20,181	49,59,853	-	4,11,80,034	70,28,473	-	5,523	1,84,07,994	2,04,82,138
	Plant & Machinery	6.33%	9,88,32,785	1,62,90,737	-	11,51,23,522	55,65,624	-	1,07,008	6,90,78,993	5,84,60,828
	Computers	31.67%	8,49,257	-	-	8,49,257	47,334	-	67,969	38,714	1,54,017
	Furniture & Fittings	9.50%	30,22,134	4,40,388	-	34,62,522	3,26,601	-	8,444	16,51,776	15,46,434
	<b>Total</b>		<b>13,94,81,847</b>	<b>2,16,90,977</b>	<b>-</b>	<b>16,11,72,824</b>	<b>1,29,68,032</b>	<b>-</b>	<b>1,88,944</b>	<b>8,97,34,908</b>	<b>8,12,00,906</b>
	Previous Year		9,59,73,286	4,69,92,683	34,84,122	13,94,81,847	14,68,268	32,38,645	-	8,12,00,906	3,59,21,969
b)	<b>Intangible Assets</b>										
	Trademark		1	-	-	1	-	-	-	1	1
	<b>Total</b>		<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
	Previous Year		1	-	-	1	-	-	-	1	1
c)	<b>Capital Work in Progress</b>										
	<b>Total</b>		<b>13,94,81,848</b>	<b>2,16,90,977</b>	<b>-</b>	<b>16,11,72,825</b>	<b>1,29,68,032</b>	<b>-</b>	<b>1,88,944</b>	<b>11,21,98,663</b>	<b>11,24,26,868</b>
	Previous Year		9,59,73,287	4,69,92,683	34,84,122	13,94,81,848	14,68,268	32,38,645	-	11,24,26,868	8,24,23,972

## Hindustan Foods Limited

Note No.	Particulars	(All Amount in Rupees)	
		Year Ended 31st March 2015	Period Ended 31st March 2014
12.	<b>Long Term Loans and Advances</b>		
	Capital Advances	-	20,73,299
	Security Deposits (Unsecured, Considered Good)	66,000	1,76,787
	<b>Total</b>	<b>66,000</b>	<b>22,50,086</b>
13.	<b>Other Non Current Assets</b>		
	Misc Expenditure not written off		
	- Product Launch Expenses	-	39,48,495
	- Share Issue Expenses	-	34,66,498
	- Advertisement & Sales Promotion Expenses	-	2,15,41,040
	<b>Total</b>	<b>-</b>	<b>2,89,56,033</b>
14.	<b>Inventories</b>		
	Raw Materials	76,60,091	70,60,038
	Packing Materials	41,53,535	9,82,634
	Stores & Consumables	4,03,911	17,69,501
	Work in Progress	1,43,57,698	24,22,060
	<b>Total</b>	<b>2,65,75,235</b>	<b>1,22,34,233</b>
15.	<b>Trade Receivables</b>		
	Trade Receivables outstanding for a period exceeding 6 months (from the date they are due for payment) Unsecured, Considered Doubtful	-	2,49,55,257
	Less : Provision made	-	-
		-	2,49,55,257
	Trade Receivables outstanding for a period of less than 6 months (from the date they are due for payment) Unsecured, Considered Good	2,26,36,701	89,68,084
	<b>Total</b>	<b>2,26,36,701</b>	<b>3,39,23,341</b>
16.	<b>Cash and Bank Balances</b>		
	(i) Cash and Cash Equivalents		
	a) Cash on Hand	23,498	26,953
	b) Balances with Banks in Current Accounts	24,088	29,905
		47,586	56,858
	(ii) Others		
	Margin Money	6,98,789	2,48,789
		6,98,789	2,48,789
	<b>Total</b>	<b>7,46,375</b>	<b>3,05,647</b>

Note No.	Particulars	(All Amount in Rupees)	
		Year Ended 31st March 2015	Period Ended 31st March 2014
17.	<b>Short Term Loans and Advances</b> (Unsecured, Considered Good)		
	Balances with Government Authorities	70,65,216	81,19,444
	Prepaid Expenses	1,99,219	2,72,484
	Tax Deducted at Source	14,43,140	9,94,276
	Advance to Employees	-	73,500
	Advance to Suppliers	4,78,463	3,99,963
	<b>Total</b>	<b>91,86,038</b>	<b>98,59,667</b>
18.	<b>Current Assets - Other Current Assets</b>		
	Interest Accrued on Deposits	2,69,904	2,08,069
	<b>Total</b>	<b>2,69,904</b>	<b>2,08,069</b>
19.	<b>Revenue from Operations</b>		
	Sale of Products	14,37,29,512	2,31,25,153
	Sale of Services		
	- Processing Charges	3,68,41,940	99,74,973
	Other Operating Revenue		
	- Sale of Scrap	9,18,352	47,224
	- Credit Balances written back	3,43,304	1,567
- Freight Charges Received (Net)	67,186	-	
	<b>Total</b>	<b>18,19,00,294</b>	<b>3,31,48,917</b>
20.	<b>Other Income</b>		
	Interest from Banks	65,333	23,651
	Interest from Others	15,766	-
	Miscellaneous Income	831	3,998
	Loans Written Back	11,05,88,178	-
	<b>Total</b>	<b>11,06,70,108</b>	<b>27,649</b>
21.	<b>Cost of Materials Consumed</b>		
	Opening Stock of Raw Materials	70,60,038	83,28,674
	Add: Purchases	10,28,47,657	1,57,26,731
		10,99,07,695	2,40,55,405
	Less : Closing Stock of Raw Materials	76,60,091	70,60,038
	<b>Total</b>	<b>10,22,47,604</b>	<b>1,69,95,367</b>
	<b>Details of Raw Material Consumed</b>		
	Cereals and Food Grains	10,22,47,604	1,69,95,367
	<b>Total</b>	<b>10,22,47,604</b>	<b>1,69,95,367</b>
	<b>Details of Raw Material Inventory</b>		
Cereals and Food Grains	76,60,091	70,60,038	
<b>Total</b>	<b>76,60,091</b>	<b>70,60,038</b>	

## Hindustan Foods Limited

Note No.	Particulars	(All Amount in Rupees)	
		Year Ended 31st March 2015	Period Ended 31st March 2014
22.	<b>Changes in Inventories of Finished Goods</b>		
	Opening Stock		
	Finished Goods	-	5,24,432
	Work in Progress	24,22,060	-
	<b>Closing Stock</b>		
Finished Goods	-	-	
Work in Progress	1,43,57,698	24,22,060	
	<b>Total</b>	<b>(1,19,35,638)</b>	<b>(18,97,628)</b>
23.	<b>Employee Benefits Expense</b>		
	Salaries & Incentives	3,20,76,169	64,71,310
	Contribution to Provident & Other Funds	19,47,856	5,87,021
	Staff Welfare Expenses	21,62,380	8,71,414
	<b>Total</b>	<b>3,61,86,405</b>	<b>79,29,744</b>
24.	<b>Finance Cost</b>		
	Interest Expense		
	- To Banks	4,37,586	2,28,825
	- To Others	1,49,66,705	65,31,473
	Bank Charges	1,10,606	95,036
	<b>Total</b>	<b>1,55,14,897</b>	<b>68,55,334</b>
25.	<b>Other Expenses</b>		
	(i) <b>Manufacturing and Operating Costs</b>		
	Consumption of Stores & Consumables	44,93,324	14,94,565
	Consumption of Packing Material	1,71,91,953	25,27,443
	Power & Fuel	1,21,02,552	36,79,553
	Water Charges	4,61,408	1,87,240
	Freight Inwards	6,55,882	1,93,726
	Repairs & Maintenance - Shop Floor	19,04,396	3,05,982
	Sundry Production Expenses	48,53,472	3,92,843
	<b>4,16,62,987</b>	<b>87,81,352</b>	

Note No.	Particulars	(All Amount in Rupees)	
		Year Ended 31st March 2015	Period Ended 31st March 2014
	<b>(ii) Administration</b>		
	Rent, Rates & Taxes	1,29,561	1,65,923
	Insurance	2,15,121	97,319
	Travelling & Conveyance	21,40,619	7,84,456
	Repairs & Maintenance - Others	24,27,180	18,51,585
	Printing & Stationery	3,09,352	1,42,763
	Postage & Courier	7,17,207	1,36,485
	Telephone & Internet Expense	1,62,156	44,079
	Legal & Professional Charges	5,71,215	1,68,978
	Audit Fees	1,50,000	45,000
	Directors Sitting Fees	1,95,000	24,250
	Security Charges	15,75,763	7,14,365
	Fixed Assets Written Off	-	2,45,477
	Baddebts	2,49,54,838	-
	Miscellaneous Expenditure Written off	2,89,56,033	-
	Other Miscellaneous Expenses	7,27,109	3,56,936
		<b>6,32,31,155</b>	<b>47,77,616</b>
	<b>(iii) Selling &amp; Distribution</b>		
	Selling Expenses	-	1,77,735
		-	<b>1,77,735</b>
	<b>(iv) Others</b>		
	Donation	8,000	8,000
		<b>8,000</b>	<b>8,000</b>
	<b>Total</b>	<b>10,49,02,143</b>	<b>1,37,44,703</b>

**OTHER NOTES :**

**26. Contingent Liabilities**

Claims against the Company by Excise Department, disputed and not accepted – Rs. 27,15,489/- (Previous Year – Rs. 14,67,117/-).

Bank Guarantees issued by bankers on behalf of the Company Rs.28,35,000/- (Previous Year- Rs. 28,35,000/-). Bank Guarantees for Rs. 25,00,000/- are secured by pledge of fixed deposits of M/s. V S Dempo Holdings Private Limited of equivalent amount.

**27.** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) is Rs. 25 lacs (previous year Rs. 50 lacs).

**28.** Loan from M/s. V S Dempo Holdings Private Limited is secured by charge on Fixed Assets of the Company.

29. Cash Credit Rs. 20 Lacs from Bank of Maharashtra is secured by hypothecation of stock and book debts.  
Cash Credit of Rs. 50 Lacs from Bank of Maharashtra is secured by pledge of fixed deposits of M/s. V S Dempo Holdings Private Limited.
30. Deposit with Banks includes Rs.6,98,789/- under lien towards guarantees given on behalf of the Company (Previous Year Rs.2,48,789/-).
31. To comply with the requirement of the Micro, Small And Medium Enterprises Development Act 2006, which became effective from 2nd October, 2006, the Company requested its suppliers to confirm whether they are covered as Micro , Small or Medium enterprise as is defined in the said Act. As the Company did not receive any communication from its suppliers informing their coverage as such enterprise, it is considered that none of them are covered as such enterprise under the said Act.
32. The Company has written back loans of value – Rs. 11,05,88,178/- based on the consent received from Lenders and the same is reflected under 'Other Income'.
33. The carrying amount of fixed assets as on 01.04.2014 that have exceeded the useful life as provided under Part 'C' of Schedule II to the Companies Act, 2013 aggregating Rs. 1,88,944/- has been charged off to Retained Earnings.

**Remuneration to Auditors : (Rs.)**

Statutory Audit Fees	40,000
Tax Audit Fees	5,000
Certification Fees	33,000
Internal Audit & VAT Audit Fees	72,000
<b>Total</b>	<b>1,50,000</b>

34. No provision for Income tax (Current) has been made in the absence of taxable income for the year.
35. The Accounting Standard 22, Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India has become applicable to the Company from 01.04.2001 and to comply with the same the Company reviewed its Deferred Tax Assets and Liabilities. The timing differences mainly arising on account of Un-absorbed Business Loss and Depreciation relating to earlier years have given rise to net Deferred Tax Asset as on 31.03.2014 as well as for the year. As a prudent policy the said net Deferred Tax Asset has not been recognized in the Accounts.
36. The Company manufactures intermediates/finished cereal based foods for itself and for third parties which constitutes single business segment. Accordingly there are no business/geographical segments to be reported under Accounting standards (AS) 17 issued by the Institute of Chartered Accountants of India.
37. Related Party Disclosures as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India :



Relationship

Holding Company :

M/s. Vanity Case (India) Pvt. Ltd.

Nature of transaction	Holding Company (in Rs.)
Loans Received	60,00,000 CR
Outstanding Loans as on 31-03-2015	60,00,000 CR

38. Previous year's figures have been recast & regrouped wherever necessary.

39. Value of Raw Material Consumption (Rs.)

Particulars	12 Months ended 31.03.2015		6 Months ended 31.03.2014	
	Value	%	Value	%
Imported	12,76,621	1%	-	-
Indigenous	10,09,70,983	99%	1,69,95,367	100%
Total	10,22,47,604	100%	1,69,95,367	100%

40. Expenditure in Foreign Currency Rs.7,49,257/- Nil

41. Earning per Equity Share

Particulars	12 Months ended 31.03.2015	6 Months ended 31.03.2014
Net Profit / (Loss) available for Equity Shareholders (Rs.)	2,50,24,353	(1,32,95,875)
No. of Equity Shares	50,00,000	50,00,000
Earnings per Share (Rs.)		
Basic	5.00	(2.66)
Diluted	5.00	(5.32)
Nominal Value per Equity Share (Rs.)	10.00	10.00

Vide our Report of even date annexed here to

For and on behalf of Board of Directors

For **R. SUNDARARAMAN & CO.,**  
Chartered Accountants

**S. SRIRAM**  
Partner  
Membership No : 202813

**Shrinivas V. Dempo**  
Chairman  
DIN: 00043413

**Ganesh T. Argekar**  
Executive Director  
DIN: 06865379

**Beena M. Mahambrey**  
Company Secretary

**Kedarnath Swain**  
Chief Financial Officer

Chennai, dated May 26, 2015

Panjim, dated May 26, 2015

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# PROXY FORM

## HINDUSTAN FOODS LIMITED

(CIN: L15139GA1984PLC000601)

Dempo House, Campal, Panaji-Goa 403001

Name:
Folio / Client ID:
Email:

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint

(1) Name : ..... Address: .....  
E.mail ID: ..... Signature: ..... or failing him

(2) Name : ..... Address: .....  
E.mail ID: ..... Signature: ..... or failing him

(3) Name : ..... Address: .....  
E.mail ID: ..... Signature: ..... as my/our

proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 12<sup>th</sup> August, 2015 at 10:30 a.m. at the Registered Office of the Company at Dempo House, Campal, Panaji-Goa 403001 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Ordinary Business</b>
1. Adoption of Audited Financial Statements together with Directors' Report and Auditors' Report thereon for the year ended March 31, 2015.
2. Re-appointment of Mr. Soiru V. Dempo, who retires by rotation and being eligible offers himself for re-appointment..
3. Ratification of the appointment of M/s. R. Sundararaman & Co., Chartered Accountants, as Statutory Auditors.
<b>Special Business</b>
4. Appointment of Mrs. Pallavi S. Dempo, as a Director of the Company.

Signed this ..... day of ....., 2015

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Affix ₹ 1/- Revenue Stamp
------------------------------------

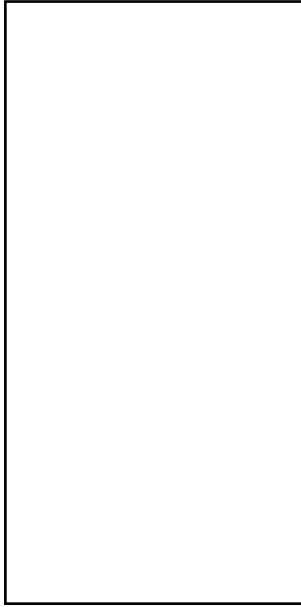
### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 30<sup>th</sup> Annual General Meeting.

CUT HERE

**REGISTERED**

To,



*If undelivered, please return to:*

**HINDUSTAN FOODS LIMITED**  
DEMPO HOUSE  
CAMPAL, PANAJI, GOA - 403 001