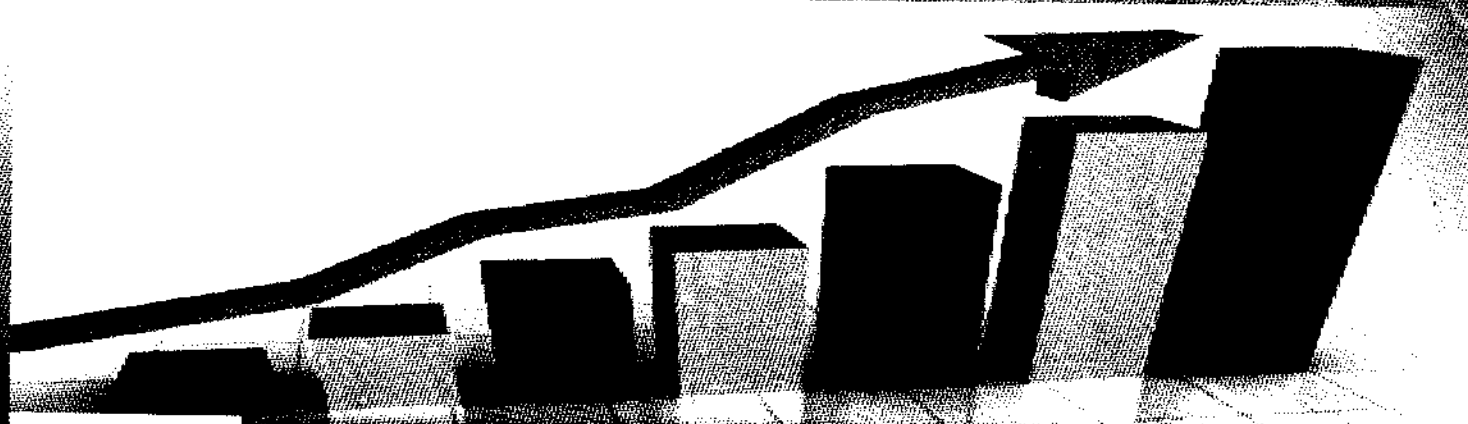


22nd Annual Report  
YEAR 2012-2013



# HIMALYA INTERNATIONAL LIMITED

'Reduce - Recycle - Reuse' to minimize our carbon footprint. We love our Planet.

# HIMALYA INTERNATIONAL LIMITED

## BOARD OF DIRECTORS

**MAN MOHAN MALIK**  
Chairman & Managing Director

**SANJIV KAKKAR**  
Managing Director

**SANGITA MALIK**  
Director

**ANITA KAKKAR**  
Director

**SUNIL KHERA**  
Independent Director

**CHANDAR PRAKASH CHHABRA**  
Independent Director

**AUDITORS**  
M/s Anujeet Dandona & Co.  
Chartered Accountants

**REGISTERED OFFICE**  
E-555, 2nd Floor,  
Palam Extension, Sector-7,  
Dwarka, New Delhi-77  
Tel : 011-45108609  
[www.HimalyaInternational.com](http://www.HimalyaInternational.com)

**MARKETING OFFICE**  
908, Tower B,  
Global Business Park,  
MG Road, Gurgaon - 122 002  
Phone : 0124-4498150

## **CORPORATE IDENTIFICATION NUMBER (CIN)**

L51909DL1992PL C047399

## **REGISTRAR & SHARE TRANSFER AGENT**

Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3rd Floor, 99 Madangir,  
BH-Local Shopping Complex,  
Near Dada Harsukhdas Mandir,  
New Delhi-110 062

## **BANKERS**

State Bank of India, *Overseas Branch,*  
*New Delhi*  
Corporation Bank, *Connaught Circus*  
*Branch, New Delhi*  
Exim Bank, *Chandigarh*  
Bank of Baroda, *Vad Nagar, Gujarat*

**SHARES LISTED AT**  
Bombay Stock Exchange  
526899 (Scrip Code)

## **HEAD OFFICE & WORKS**

Village : Shubhkhera, Paonta Sahib  
Distt. Sirmour (H.P.) 173 025  
Tel.: 01704-223494  
Fax: 01704-225178

## **PROJECT SITE**

Survey No.: 215/A/1,  
Vadnagar - Navapura - Redlaxmipura Road  
Sultanpur - 384 355  
Distt. Mehsana, Gujarat  
Phone : 02761-305000



Man Mohan Malik  
Chairman & CEO  
jinni@himalyainternational.com

September 4th, 2013  
Subject: State of Affairs

My Dear Stock Holder  
Greetings from Himalya International!  
Thank you for this opportunity to communicate with you.

The overall business confidence in India is at the lowest in recent times as is reflected in the steep decline in our GDP growth and the currency.  
I would just say that it's the darkest just before the Sunrise.  
I personally feel & share your pain of steep climb down of our stock price.  
Through this communication I wish to dispel any doubts on the capability of your Company to sustain its growth and steer through the tough times.

The overview of the "State of the Affairs" of your company is given below:

- 1) The JV with Simplot has not worked out and Your company has suffered a lot due to non performance by the JV. Due to the exclusivity clause under the JV agreement we could not market our products ourselves and the JV worked at its own pathetic pace due to which our frozen appetizer units have shown dismal performance. We have finally decided to free ourselves from the obligation of exclusivity and have started marketing our products on our own. We have on board the Professional Marketing team housed at our office in Gurgaon NCR. The new Marketing Team has already secured and tied various new businesses including Subway, Mother Dairy, Godrej Tyson and Reliance Retail.
- 2) We suffered a setback due to the total loss of our frozen products stocks in US warehouse recently. The Warehouse where we had stored our inventory in New Jersey was totally gutted by the devastating fire on last Sunday. The loss is being estimated and our US team is working out the process of filing claims for recovery of the loss. Meanwhile, we have planned to rush fresh stocks to meet the customer demand during the festival & holiday season ahead.
- 3) We sold part of our potato processing lines last year and reduced our term debt on the assets by Rs 30 Crores. Your Company is investing in setting up another Vegetables and potato processing line at Vadnagar in Gujarat at its existing site. The Promoters & Associates are subscribing to fresh, preferential warrants/equity at Rs 12.20 per share to raise the resources for the new processing line.
- 4) Your Company has met all its financial obligations towards the Lenders & Institutions by generating cash from its Mushroom, Dairy & Sweets operations.
- 5) The silver line is appearing in the US market and our exports are slated to increase by more than 100% in the current financial year. The steep decline in Rupee has opened up the possibilities of exporting various new food products.
- 6) There is reported to be a steep appreciation in the price of the land owned by your company near Delhi in Rajasthan at NH 8. We propose to unlock the value of this real estate to augment the cash resources of the Company.

You have the absolute right over your investment and I am sure that you shall take the most prudent decision in your best interest.

I believe that the current stock price is way below the intrinsic value and the true, real potential of your investment is yet to unfold.

I firmly believe that "Tough Times Don't last but Tough People Do" and want to assure you that your Company is tough and is on the right track.

Sincerely  
&  
With Best Wishes

  
Chairman & Managing Director  
Plant I  
Shubhkhera, Paonta Sahib (HP) 173025  
jinni@himalyainternational.com

Plant II  
Vadnagar, Gujarat 384355  
vpg@himalyainternational.com

Corporate Office  
908, 3<sup>rd</sup> Floor, Global Business Park, MG Road, Gurgaon 122002  
msd@himalyainternational.com



NOTICE

NOTICE is hereby given that the 22<sup>nd</sup> Annual General Meeting of the members of the Company will be held on Monday, 30<sup>th</sup> Day of September 2013, at 4.00 P.M at Swagat, DDA Community Hall, Sector-7, Near Ramphal Chowk, Dwarka, New Delhi-110077 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Anita Kakkar, who retires by rotation and being eligible, offers herself for re-appointment.
3. To Consider and if Thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Anujeet Dandona & Company, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration as may be decided by the Board of Directors of the Company.”

**Special Business:**

- 1) To consider, and if thought fit, to pass with or without modification, if any the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (SEBI, ICDR Regulations, 2009), the guidelines for preferential issue contained in SEBI (Disclosure & Investor Protection) Guidelines, 2000 (as amended from time to time) or as in force and subject to other applicable rules, regulations and guidelines of Securities and exchange Board of India (SEBI) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into between the Company and the Stock Exchanges, where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions if any, of SEBI, the Stock Exchanges and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder), consent of the members of the Company be and is hereby accorded to the Board of Directors of the company to create, offer, issue and allot, from time to time, in one or more tranches, up to 1,25,00,000 Fully Convertible Warrants on a preferential basis to M/s Trydin America LDC, USA, entitling the holder of each Warrant, from time to time, to apply for and obtain allotment of one equity share of the face value of Rs. 10/- each against such Warrant (hereinafter referred to as the “Warrants”), in one or more tranches, at a price of Rs. 12.20/- which includes a premium of Rs. 2.20/- per share which is not less than the price calculated in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 for preferential allotment of Equity Shares /Warrants and on such terms and conditions as may be decided and deemed appropriate by the board at the time of issue or allotment.

“RESOLVED FURTHER THAT the “relevant date” in relation to the issue of Warrants in accordance with the SEBI (ICDR) Regulations, 2009, would be September 4, 2013, being the date of Board Meeting prior to the date of passing of this resolution at Annual General Meeting.”



**"RESOLVED FURTHER THAT the issue of warrants, if any, as above, shall be subject to the following terms and conditions:**

1. The Warrants shall be convertible into Equity Shares (at the sole option of the warrant holder(s)) at any time in one or more tranches within a maximum period of 18 months from the date of allotment of warrants.
2. Each Warrant shall be convertible into one equity share of nominal value of Rs. 10/- each at a price of Rs. 12.20 /- including a premium of Rs. 2.20/- per share, which is not less than the price calculated in accordance with the SEBI (ICDR) Regulations, 2009 for preferential allotment of equity shares / warrants.
3. The warrant holder shall, on or before the date of allotment of warrants shall deposit an amount equivalent to 25% of the total consideration per warrant.
4. The warrant holder(s) shall, on the date of allotment of equity shares or prior to it, pursuant to the exercise of option against each such warrant within 18 months, deposit the balance 75% of the consideration.
5. The amount referred to in (3) above shall be non interest bearing and shall be forfeited, if the option to acquire shares is not exercised within a period of 18 months from the date of allotment of the warrants.
6. The number of warrants and the price per warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI (ICDR) Regulations, 2009, for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring. The lock in of shares acquired by exercise of warrants shall be for a period of Three years.
7. Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

**"RESOLVED FURTHER THAT the preferential allotment of the Securities is made to the M/s Trydin America LDC, USA.**

Name of the Proposed Allottee	Category (Promoter / Non - Promoter)	Category (Promoter / Non-Promoter)	Permanent Account Number (PAN)	No. of securities to be allotted	Allottee is : *QIB/MF/FI I/FI/Banks/ Trust
Trydin America LDC, USA	Non-Promoter	210 Carnegie Center, Princeton, NJ, 08540 USA	NRI	1,25,00,000	FI
		<b>TOTAL</b>		<b>1,25,00,000</b>	

RESOLVED FURTHER that the new equity shares to be allotted on conversion of warrants referred to herein above shall be subject to the Memorandum & Articles of Association of the Company and shall rank pari-passu in all respects including the entitlement to pro-rata dividend which may be declared or paid there on from the date of allotment for the financial year which the same are allotted.

RESOLVED FURTHER that for the purpose of giving effect to the above resolutions, the Board of Directors of the Company shall take all decisions as may necessary in connection with any such issues, offer and allotment and equity shares on conversion of warrants and utilization of issue proceeds, as it may, in its absolute discretion deem fit and any such action, decision of the Board shall be binding on all members of the Company."

**NOTES:**

1. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item no. 5 set out above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



3. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting, along with the Annual Report.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26<sup>th</sup> September 2013 to 30<sup>th</sup> September 2013, both days inclusive.
5. Members who hold shares in dematerialized form are requested to bring their Client ID (Demat A/C No.) and DP ID numbers for easy identification of attendance at the meeting.
6. Members are requested to notify the change in their address, if any.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 11a.m. and 1.00 p.m. up to the date of this Annual General Meeting.
8. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
9. Members are requested to note that all correspondence relating to share transfer should be addressed to its Registrars and Transfer Agents,

M/s.Beetal Computer & Financial Services Pvt. Ltd.,  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,  
BH - Local Shopping Centre,  
New Delhi – 110 062.

By order of the Board of Directors  
For HIMALYA INTERNATIONAL LTD.

Place: Paonta Sahib  
Date: 04.09.2013

Anjali Tomar  
Company Secretary



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM 1**

**Object of the issue:-**

(a) In order to raise matching equity for the on-going expansion programmed / new project, to enhance companies marketing edge, to built product as brand product domestic as well as internationally , to build product and to undertake diversified development activities , it is incumbent to raise fresh capital in the near future . Your Board of Directors has, therefore, decided to issue warrants up to 12.50 Millions to M/s Trydin America LDC, USA. The warrants would be allotted in accordance with the provisions of SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009.

**Relevant Date and price:-**

(b) The relevant date for the purpose of pricing of the issue of shares resulting for the warrants in accordance with ICDR regulation is the date, on which the board authorizes the preferential allotment, the day of board resolution i.e 04<sup>th</sup> September, 2013. The Directors recommended issuing it at a price of Rs. 12.20/- (including premium of Rs. 2.20/-) each warrants.

**Proposed time limit within which the allotment shall be completed:**

(c) Within 15 days from the date of passing of the resolution at the AGM of the shareholders or within 15 days from the date of receipt of statutory approval

**Intension of promoter:**

(d) The offer, issue and allotment of the aforesaid warrants shall be made as such time or time as the Board may in its absolute discretion decides.

(e) older(s) shall, on or before the date of allotment, pay an amount equivalent to 25% of the total consideration of the Warrants.

(f) The warrant holder(s) shall on the date of exercise of the conversion option pay the balance 75% of the total conversion toward the subscription to each equity shares.

(g) The currency of warrants shall not exceed 18 month from the date of their issue.

(h) The warrants shall be locked in for a period as per guidelines of SEBI/ICDR Regulation provided that the lock-in on equity shares acquired by conversion of warrants shall be reduced to the extent the warrants have been locked in.

(i) The numbers of warrant and the price per warrant shall be appropriately adjusted, subject to the companies Act 1956 applicable Guidelines, for corporate actions such as bonus issue, right issue, stock split merger demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring, if any in future.

(j) The equity share as may be required to be issue and allotted upon conversion of warrants shall be subject to the Memorandum and Articles of Association of the company. The shares will be allotted in demat form only.

(k) the Board be and is hereby authorized to delegate all or any of the powers here in conferred by this resolution to any director or directors or to any committee of directors of the company to give effect to the aforesaid resolution.

(l) To give effect to this, the board be and is here by authorized to do all such acts., deeds and things as the Board may, in its absolute discretion consider necessary, expedient, usual, proper or incidental including without limitation, appointment of consultants, solicitors. Merchant bankers, or any other agencies as may be necessary, and to seek listing of the equity shares representing the same in any Indian Stock Exchanges with power in behalf of the company to settled any question, remove any difficulty of doubt that may arise from time to time in relation to the offer, issue and allotment of the Warrants and Shares arising on exercise of the option relation to the Warrants and to take such actions or give such directions as may be necessary of desirable and to obtain any approvals, permission, sanctions which may be necessary or desirable, as they may deem fit.

**Brief resume of director re-election/ reappointment are as under:**

Anita Kakkar	She is promoter director of the company, she is 49 years old, She is MBA from The USA University, Worked in US corporations for more than a decade, Social activities --- 1. Volunteer at Recording for Blind and Dyslexic Institute 2. Volunteer at The Rehabilitation Center
--------------	--

**DIRECTORS' REPORT**

Dear Shareholders,

We are pleased to present the Twenty First Annual Report of your Company together with Audited Financial Statements and Auditor's Report for the Financial Year ended as on 31<sup>st</sup> March 2013. The Financial Highlights for the year under review are given below:

Financial Results	(Rs. in Lacs)	
	2012-13	2011-12
Particulars		
Total Income	20609.98	11049.77
Profit before Interest, Depreciation & Tax	8023.60	3192.66
Interest	1641.62	773.01
Depreciation	878.24	429.05
Profit before Tax	5503.74	1990.60

**Performance**

During the year under review, the total income of your Company was Rs. 20609.98 Lacs (including extra ordinary inflow Rs. 3415.32 lacs) as compared to Rs. 11049.77 Lacs in the previous year thereby registered a growth (excluding the extra ordinary item) of 55.61%. The net profit before tax of the company for the current financial year after excluding profit on extra ordinary inflow Rs. 2088.42 Lacs as compared to Rs. 1990.60 Lacs in the previous year. There is a rise of 4.91% in operational profits as compared to the last financial year.

**Dividend**

In view of our new project, there is an increased pressure on the cash flow. Also' due to additional borrowings made for implementing the capital projects under expansion, there is an increase in the commitments towards repayment to the lending banks. As such, Board of Director feels appropriate not to recommend any dividend for the financial year 2012-13.

**Business Operations Overview & Future Outlook**

Company's business activities are broadly divided into mushroom, Cheese, sweets and appetizer manufacturing and exports.

**Fixed Deposits**

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

**Directors' Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

- i) that in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2013, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently 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 the year under review;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2013 on a 'going concern' basis.





iii) that the Directors have prepared the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2012 on a 'going concern' basis.

#### Particulars of Energy, Technology and Foreign exchange

A- Energy conservation – The Company makes continuous efforts to explore new technologies techniques to make the infrastructure more energy efficient.

Moreover, the operations of the Company are not energy intensive. Company has changed its And oil fired boilers to agro waste reducing the carbon foot print.

B-Technology absorption –

Company uses Indian technical manpower to

Operate Indian and imported infrastructure.

Foreign exchange earnings and out go:

Particulars	Amount (Rs.in '000)
Exports	244854
Expenditure in foreign exchange	62318

#### Personnel and Particulars of Employees

The industrial relations with the workers and staff of the company remained cordial throughout the year. There was unity of purpose among all levels of employees, continuously striving for improvement in work practices and productivity. Training and development of employees continue to be an area of prime importance. Pursuant to Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975, as amended a statement containing list of employees and drawing remuneration exceeding Rs. 24.00 Lacs annum or Rs. 2.00 Lacs per month is given herein below.

S.No.	Name	Designation	Remuneration received (Rs, in lacs)	Qualification	Exp	Age	Date of Commencement	Particulars of Last Employment
1.	Mr. Man Mohan Malik	Chairman & Managing Director	102.00	B.Sc. (Hons) LLB	40 Years	61	1992	Industrialist



#### **Auditors**

M/s Anujeet Dandona & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting, being eligible offer them for re-appointment. The Company has received a certificate from them that their re-appointment if made would be within prescribed limits under Section 224(1B) of the Companies Act, 1956.

#### **Auditors' Report**

The Auditors Observations and relevant Notes on Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further explanation u/s 217(3) of the Companies Act' 1956.

#### **Listing of Shares**

The Equity Shares of the Company continued to be listed at the Bombay Stock Exchange.

#### **Management Discussion and Analysis**

A detailed chapter on "Management Discussion & Analysis" (MDA) pursuant to Clause 49 of the Listing Agreement is annexed to the Annual Report and forms integral part of Directors' Report.

#### **Corporate Governance Report**

We strive to attain high standards of corporate governance while interacting with all our stakeholders. The Company has duly complied with revised Clause 49 - Corporate Governance Code as stipulated in the listing agreement with Stock Exchanges. A separate section on Corporate Governance along with Certificate from M/s. Anujeet Dandona & Co., Chartered Accountants, confirming level of Compliance is annexed and forms part of the Directors' Report.

#### **Acknowledgement**

Your Directors greatly appreciate the dedication and commitment of employees at all levels who have contributed towards the effective functioning of the Company. We also wish to convey gratitude to company's Bankers, Financial Institutions, Government Authorities, Clients, Vendors, and Investors for their support and encouragement during the year and look forward for their continued support in the future.

For and on Behalf of the Board

Place: Paonta Sahib

Dated: 04.09.2013

(Anjali Tomar)  
Company Secretary

#### **MANAGEMENT DISCUSSIONS AND ANALYSIS**

##### **Industry Structure and Developments**

##### **Company Business**

The Company's primary business is manufacture of Mushroom, vegetables, Cheese, Yogurt, Appetizers, snacks, sweets and French fries and trading of daily one tablet etc.

##### **Discussions on Financial Performance With Respect to Operational Performance**

During the year under review, the total income of your Company was Rs. 20609.98 Lacs (Including extra ordinary inflow Rs. 3415.32 lacs) as compared to Rs. 11049.77 Lacs in the previous year thereby registered a growth (excluding the extra ordinary item) of 55.61%. The net profit before tax of the company for the current financial year after excluding profit on extra ordinary inflow Rs. 2088.42 Lacs as compared to Rs. 1990.60 Lacs in the previous year. There is a rise of 4.91% in operational profits as compared to the last financial year.

**Human Resources**

During the year 2012-13 your company's Human Resources are as under

Category	As on 31.03.2013	As on 31.03.2012
Skilled employees	480	462
Non –Skilled Employees	1035	1020
Total	1515	1482

**Outlook**

The overall business confidence in India is at the lowest in recent times as is reflected in the steep decline in our GDP growth and the currency.

I would just say that it's the darkest just before the Sunrise.

I personally feel & share your pain of steep climb down of our stock price.

Through this communication I wish to dispel any doubts on the capability of your Company to sustain its growth and steer through the tough times.

The overview of the "State of the Affairs" of your company is given below:

1) The JV with Simplot has not worked out and Your company has suffered a lot due to non performance by the JV. Due to the exclusivity clause under the JV agreement we could not market our products ourselves and the JV worked at its own pathetic pace due to which our frozen appetizer units have shown dismal performance. We have finally decided to free ourselves from the obligation of exclusivity and have started marketing our products on our own. We have on board the Professional Marketing team housed at our office in Gurgaon NCR. The new Marketing Team has already secured and tied various new businesses including Subway, Mother Dairy, Godrej Tyson and Reliance Retail.

2) We suffered a setback due to the total loss of our frozen products stocks in US warehouse recently. The Warehouse where we had stored our inventory in New Jersey was totally gutted by the devastating fire on last Sunday. The loss is being estimated and our US team is working out the process of filing claims for recovery of the loss. Meanwhile, we have planned to rush fresh stocks to meet the customer demand during the festival & holiday season ahead.

3) We sold part of our potato processing lines last year and reduced our term debt on the assets by Rs 30 Crores. Your Company is investing in setting up another Vegetables and potato processing line at Vadnagar in Gujarat at its existing site. The Promoters & Associates are subscribing to fresh, preferential warrants/equity at Rs 12.20 per share to raise the resources for the new processing line.

4) Your Company has met all its financial obligations towards the Lenders & Institutions by generating cash from its Mushroom, Dairy & Sweets operations.

5) The silver line is appearing in the US market and our exports are slated to increase by more than 100% in the current financial year. The steep decline in Rupee has opened up the possibilities of exporting various new food products.

6) There is reported to be a steep appreciation in the price of the land owned by your company near Delhi in Rajasthan at NH 8. We propose to unlock the value of this real estate to augment the cash resources of the Company.

You have the absolute right over your investment and I am sure that you shall take the most prudent decision in your best interest.

I believe that the current stock price is way below the antrinsic value and the true, real potential of your investment is yet tounfold



You have the absolute right over your investment and I am sure that you shall take the most prudent decision in your best interest. I believe that the current stock price is way below the intrinsic value and the true, real potential of your investment is yet to unfold.

#### Internal Control System and Their Adequacy

Broadly the internal controls and systems are broken up into following areas:

- 3 Financial Systems and Reporting
- 3 Management Reporting
- 3 HR Systems and Reporting
- 3 Sales Systems and Reporting
- 3 Capital Asset Systems and Reporting
- 3 Operational Fulfillment Systems and Reporting
- 3 General Administrative Systems and Reporting
- 3 Knowledge Management Systems

For the size of the business, most of the systems are considered adequate. Due to the severe resource crunch in the company, it has been unable to implement its plans of automative systems.

#### Risk and Concerns

The Company is operating its business in the Growth Oriented environment with innovations, changes and varying levels of resources available to food processing industry.

#### Cautionary Statement

"Management Discussion and Analysis" report contains forward looking statements, which may be identified by the use of the words in that direction, or connoting the same. All the statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditure and financial results are forward looking statements.

The Company's actual results, performance or achievements could thus differ materially from those projected in such forward looking statements. The Company assumes no responsibility to public, to amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

### REPORT ON CORPORATE GOVERNANCE

#### I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance assumes a great deal of importance in the business life of the Company. The Company's philosophy on corporate governance is based on the belief that timely disclosures, transparent accounting policies, and a strong and independent Board go a long way in preserving shareholders trust while maximizing long-term shareholders value. It has been a constant endeavor on the part of the Company to follow good Corporate Governance by following the principles of transparency, accountability and integrity in functioning, so as to constantly enhance value for all stakeholders and fulfill the social obligation entrusted upon the corporate sector.

#### II. BOARD OF DIRECTORS

##### (A) Composition of Board

The Present Board of Directors of our Company comprises Directors consisting of Four Executive and Two Non-Executive

S.No.	Name	Category
1	Mr. Man Mohan Malik	Promoter- Executive Director
2	Mrs. Sangita Malik	Promoter- Executive Director
3	Sh. Sanjiv Kakkar,	Promoter- Executive Director
5	Mrs. Anita Kakkar	Promoter- Executive Director
4	Sh. Sunil Kherra	Non- Executive Independent Director
6	Sh. Chander Prakash Chhabra	Non- Executive Independent Director

**Non Executive Directors****(B) Non Executive Director's Compensation and Disclosures**

The Non Executive Directors of the Company are paid sitting fees as fixed by the Board of Directors within limits prescribed under the Companies Act, 1956. Besides sitting fee non-executive directors are not paid any remuneration.

**(C) Other provisions as to Board and Committee**

The details of the other directorship of the Board and their attendance at the Board meetings held during the year, i.e. between April 1, 2012 to March 31, 2013 is given in the following table:

Name	Category	Board Meeting attending during	Attendance at last AGM	No. of Director ship in other companies*	No. of committee position held chairman/member **
Mr. Man Mohan Malik	Promoter- Executive Director	5	Yes	-	3
Mrs.Sangita Malik	Promote-Executive Director	4	Yes	-	1
Mr.Sanjiv Kakkar,	Promoter-Executive Director	-	No	-	1
Mrs. Anita Kakkar	Promoter-Executive Director	-	No	-	1
Mr. Sunil Khera	Non- Executive Independent Director	4	No	-	3
Mr.Chander P. Chabbra	Non- Executive Independent Director	4	No	-	3

\* Exclusive of the Directorship in Private Limited, Companies, Non-Corporate Institutions, foreign Companies and Section 25 Companies.

\*\* Includes only chairmanship/membership of Audit Committee, Remuneration Committee and Shareholders / Investors Grievance Committee.

The Board periodically reviews Compliance reports of all laws applicable to the Company and has put in place procedure to review steps taken by the Company to rectify the instances of non-compliances, if any.

**(D) Number of Board Meetings held and dates:**

During the financial year 2012-2013 the Board of Directors met 5 times. The dates of the meetings are 30.04.2012, 30.07.2012, 03.09.2012, 29.10.2012 and 28.01.2012

**(E) Information supplied to the Board:**

The Board has complete access to all information with the Company. The information is provided to the Board and the agenda papers for the meetings are circulated in advance of each meeting. The information supplied to the Board includes:

- Business/Operating Plans, Quarterly, Half yearly and yearly results of the Company, Minutes of the Meetings of audit Committees and other Committees of the Board.
- Fixation of date of EGM and Annual General Meetings.
- Growth of expansion plans.

The Board periodically reviews compliance of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances if any.

**(F) Code of conduct:**

In terms of the new provisions of clause 49 of the listing agreement and contemporary practices of good corporate governance a code of conduct for all the Board members and senior management personnel has been approved by the Board of Directors vide their meeting held on 14th December, 2012 and the same has been posted on the web-site of the Company. All the Board members and senior management personnel have affirmed compliance with the code of conduct during the year 2012-13.

**III. AUDIT COMMITTEE:****(A) Qualified & Independent Audit Committee:**

Mr. Man Mohan Malik is the chairman of the committee. The term of reference covers all aspect stipulated by the SEBI guideline as specified in clause 49 of the listing agreement with Stock Exchange. The current term of reference also fully conform to the requirements of section 292A of the Companies Act' 1956.

**(B) The composition of the audit Committee consisting of following independent members:**

Chairman: Mr. Man Mohan Malik

Member : Mr. Shunil Khera, Mr. Chander Prakash Chhabra and Mrs. Sangita Malik

**(C) Meetings of Audit Committee**

During the year four meetings were held and the Composition of the Audit Committee and number of meetings attended by the members are given below:

Sl. No	Name of Member(s) of Audit Committee	Category	No. of Meetings	
			Held	Attended
1.	Mr. Man Mohan Malik	Chairman	4	4
2.	Mr. Sunil Khera	Member	4	4
3.	Mrs. Sangita Malik	Member	4	4
4.	Mr. Chander P. Chhabra	Member	4	4

**© Powers of the Audit Committee**

The Audit Committee has powers including:

- 1) To investigate any activity within its terms of reference.
- 2) To seek information from any employee
- 3) To obtain outside legal or other professional advice.
- 4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

**(D) Role of Audit Committee:**

- Oversight of the company's financial reporting process and disclosure of its financial information to ensure that financial statement is correct, sufficient and credible.
- Recommendation to the Board of Directors, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements before submissions to board for approval, with particular reference to
- Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of section 217 of the Companies Act, 1956.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.



- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of related party transactions.
- Qualifications in draft audit report.
- Reviewing with management, the quarterly financial statements before submission to the board for approval.
- Reviewing with management, performance of statutory and internal auditors, and adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Discussion with the statutory auditors before the audit commences, of the scope and nature of audit and as well as have post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

**(D) Review of information by the Audit Committee**

The audit Committee review the reports of the Internal Auditors, meets Statutory and Internal Auditors as and when required & discuss their findings, observations, suggestions, internal control system, scope of audit and other related matters.

**(A) Related Party Transaction**

- i. Statements containing transactions with related party has been submitted periodically before the Audit Committee.
- ii. There are no materially significant related party transactions with the Company's promoters, Directors, the management, the relatives, which may have potential conflict with the interest of the Company at large. Suitable disclosures as required by Accounting Standard (AS - 18) on transaction with related parties have been shown in note no. 26.3 of schedule 5 in notes on accounts of the Annual Accounts for the year.

**(B) Disclosure of Accounting Treatment**

During the year, there has been no change in the accounting treatment of Accounting Standard applicable to the Company.

**(C) Risk Management**

In terms of new provision of Clause 49 & contemporary practices of good corporate governance, Company has developed the policies & procedures to assess the risk associated with the Company and minimization thereof and periodically informed the Board of Directors for their review to ensure that the executive management, controls the risk in accordance with the defined policies and procedures adopted by the Company.

**IV Remuneration Committee (Non-Mandatory)**

At present the Remuneration Committee of the Company comprises of the following members who are Executive and Independent Directors of the Company:

1. Mr. Man Mohan Malik, Chairman
2. Mr. Sanjiv Kakkar, Member
3. Mr. Sunil Khera, Member
4. Mr. Chander Prakash Chhabra

During the year there are one such Remuneration Committee Meeting of the Company has been held by the Company on 30.10.2013.

**Non-Executive Directors**

- a. The Non-Executive Directors are entitled to sitting fee only for attending Board/Committee meetings. A sitting Fee of Rs. 2500/- per meeting is paid for attending Board/Committee meeting.
- b. During the year under review, the Company has not paid any remuneration to any Non-Executive Directors.
- c. There has been no pecuniary relationships of transactions of the non-executive directors vis-à-vis the Company during the year.
- d. The Company has paid sitting fee aggregating Rs. 25,000 /- to all the Non Executive Directors which is within the limits as prescribed under the Companies Act 1956. No other payments were made to such directors.

**Number of Shares held by Non-Executive Director 40,000/-****V Shareholders'/ Investors' Grievance Committee:**

The Shareholders'/ Investors' Grievance Committee presently comprises of three Directors viz. Mr. Man Mohan Malik, Mr. Sunil Khera and Mr. Chandër Prakash Chhabra

The Company received 4 (Five) complaint from investor during the financial year 2012-2013, which were promptly and satisfactorily resolved.

During the year there is 28 share holder committee meetings.

**VI. CEO/CFO CERTIFICATION**

The Managing Director & Director (Finance) have certified to the Board of Directors of the Company that:

(a) They have reviewed financial statement and cash flow statement for the year ended 31<sup>st</sup> March 2013 and to the best of their knowledge and belief:

(i) these statements do not contain any material untrue statement or omit any material fact or contain that might be misleading.

(ii) These statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.

(c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal control, if any of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) They have indicated to the Auditors and Audit Committee:

(i) significant changes in internal control over financial reporting during the year.

(ii) significant changes in accounting policies during the year and that same has been disclosed in the notes to financial statements, and

(iii) instances of significant fraud of which they 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.

**VII. REPORT ON CORPORATE GOVERNANCE**

The quarterly compliance report has been submitted to the stock exchanges where the companies' equity shares are listed in the requisite format and duly signed by the compliance officer.

**VIII. COMPLIANCE**

The other information for the benefit of the shareholders is as under:

**(I) General Body Meetings:**

Details of Location, Date and Time of Annual General Meetings held during last three years are given below:

Particulars	Time	Dated on which held	Venue
21 <sup>st</sup> AGM	4:00 PM	29 <sup>th</sup> September 2012	Sangam Farm, Road No. 2, Farm No. 34, Ghitorni, New Delhi-110030
20 <sup>th</sup> AGM	3:00 PM	30 <sup>th</sup> September 2011	Sunder Farm, Road No. 2, Farm No. 41, Ghitorni, New Delhi-110030
19 <sup>th</sup> AGM	4:00 PM	30 <sup>th</sup> September 2010	Gokul Gardens Banquets (P) Ltd., Sector-7, Near Flyover, Dwarka, New Delhi -75

The shareholders through postal ballot passed one ordinary resolutions one special resolutions during the F.Y.2012-2013. Result of postal ballot is declared on dt 11.10.2012

At the ensuing Annual General Meeting there is no special Resolution proposed to be passed through the postal ballot.

During the year under review there is no Extra Ordinary General Meeting is conducted



**(ii) Means of Communications**

- Quarterly/Yearly results are published in prominent newspapers.
- Company issues press releases from time to time.
- Information of the Company are available on website of the company:

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

A detailed Management Discussion and Analysis as per requirement of Clause 49 of the Listing agreement is forming part of Annual report.

**(iii) General shareholder information****Annual General Meeting**

Day & Date: Monday, 30<sup>th</sup> September, 2013

Time: 04.00 P.M.

Venue: Swagat, DDA Community Hall, Sector-7, Near Ramphal Chowk, Dwarka, New Delhi-77.

**Financial Calendar (Tentative):**

- Next Annual General Meeting: End September 2014
- Un-audited results for the: 30<sup>th</sup> July 2013  
quarter ended June 2013
- Un-audited results for the: End October 2013  
quarter/half year ended September 2013
- Unaudited results for the: End January 2014  
quarter ended December 2013
- Un-audited results for the: End April 2014  
Quarter ended March 2014
- Audited Results for the: June/August 2014  
Year ending March 2014

**Date of Book Closure:**

From 26<sup>th</sup> day of September 2013 to 30<sup>th</sup> day of September 2013 (both days inclusive) for the purpose of Annual General Meeting.

**Name of the Stock Exchanges on which the equity shares of the Company is listed:**

Bombay Stock Exchange

Stock Code: The Stock Exchange, Mumbai: 526899

Listing Fee: Listing fee has been paid to The Stock Exchanges upto the financial year 2012-2013.

ISIN no allotted to the depositories namely, NSDL and CDSL is INE552B01010.

**Market Price Data:** Monthly high and low of the equity shares of the Company in The Stock Exchange, Mumbai (BSE) for the F.Y. 2012-13 are stated herein below:

Month	Bombay Stock Exchange (BSE)	
	High (Rs.)	Low (Rs.)
April 2012	31.50	24.20
May 2012	30.00	23.05
June 2012	24.40	21.60
July 2012	25.65	22.10
August 2012	24.90	20.55
September 2012	27.00	20.70
October 2012	26.25	22.20
November 2012	24.70	21.90
December 2012	24.40	21.95
January 2013	24.00	18.50
February 2013	20.35	16.40
March 2013	18.00	13.05



**Distribution Schedule of shareholding as on 31.03.2013:**

Share Holding of Nominal Value of Rs.	Number of Shareholders	% To Total	No. of Shares	Amount in Rs	% To Total
Up To 5000	12,467	76.10	26,07,167	2,60,71,670	5.0719
5001 to 10000	1,866	11.39	16,30,731	1,63,07,310	3.1724
10001 to 20000	895	5.46	14,32,608	1,43,26,080	2.7870
20001 To 30000	348	2.12	9,12,257	91,22,570	1.7747
30000 To 40000	130	0.79	4,70,394	47,03,940	0.9151
40001 To 50000	185	1.13	8,85,183	88,51,830	1.7220
50001 To 100000	230	1.40	17,49,130	1,74,91,300	3.4027
100001 To and Above	262	1.60	4,17,16,636	41,71,66,360	81.1543
<b>Total</b>	<b>16,383</b>	<b>100.00</b>	<b>5,14,04,106</b>	<b>5,14,041,060</b>	<b>100.000</b>

**Share Holding Pattern as on 31.03.2013**

S.No.	Particular	Number of Shares	% To Total
1	<b>A) Promoter and Promoter Group</b>		
	<b>Indian Promoters:</b>		
	Individual/HUF	14,75,026	2.87
	Bodies Corporate	4,325,450	8.41
	Directors & their relatives	1,28,18,960	24.94
	<b>Total Shareholding (A)</b>	<b>1,86,19,436</b>	<b>36.22</b>
	<b>(B) Public Shareholding</b>		
1	<b>Institutions:</b>		
	Foreign Institutional Investor	24,00,000	4.67
	<b>Non-Institutions:</b>		
	Bodies Corporate	50,82,112	9.89
	Individuals	1,79,35,277	34.89
	Clearing Members	11,059	0.02
	Employees	2,13,425	0.42
	Trusts	10,00,000	1.95
	NRI	7,76,271	1.51
	HUF	9,63,913	1.88
	OCB	44,02,613	8.56
	<b>Sub Total (B)</b>	<b>3,27,84,670</b>	<b>63.78</b>
	<b>Total (A+B)</b>	<b>5,14,04,106</b>	<b>100</b>

Registrar & Share Transfer Agents:  
M/s. Beetal Computer & Financial Services Pvt. Ltd  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, BH - Local Shopping Centre  
Near Dada Harsukhdas Mandir, New Delhi - 110062



**System of Share Transfer/ de-materialization/ re-materialization etc.:**

The aforementioned RTA has its own infrastructure commensurate with the work undertaken and is manned by skilled and trained staff.

**De-materialization of shares and liquidity:**

Company's shares are now in Compulsory Demat category. Over 81.39 % of the shares have been dematerialized. The Equity Shares are listed on Bombay Stock Exchanges.

**Outstanding GDRs/ADRs, and Convertible Bonds, Conversion date and likely impact on equity: Nil**

**Plant Locations:** The Factory Premises of the company is situated at:-

1. Village Shubh Khera, Paonta Sahib, District-Sirmour, Himachal Pradesh.
2. Site: Survey No.215/A/1, Vadnagar-Navapura-Redlaxmipura Road, Sultanpura-384355  
Ta-Vadnagar, Dist: Mehsana, Gujarat

**Address for correspondence:**

**Company's Registered Office**

Company Secretary  
Himalya International Limited  
E 555, 2nd Floor,  
Palam Extension, Sector-7,  
Dwarka, New Delhi- 110 077  
Tele : 011- 45108609

E-mail: [dgmaf@himalyainternational.com](mailto:dgmaf@himalyainternational.com) Web-site: [www.himalyainternational.com](http://www.himalyainternational.com)

**Head Office**

Vill-Shubh Khera, Paonta Sahib, Distt. Sirmour (H.P.)  
Tele : 01704-223494, Fax : 01704-225178

**Marketing office**

9<sup>th</sup> Floor, 908 Tower B, Global Business Park, M.G. Road, Gurgaon-122002, India, +91-0124- 4498150

**Declaration:**

This is to confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct and adopted by the Board.

For and on Behalf of the Board

Place: Paonta Sahib

Dated: 04.09.2013

(Anjali Tomar)  
Company Secretary



**AUDITORS REPORT**

To,  
The Members,  
Himalya International Limited,  
New Delhi.

1. We have audited the attached Balance Sheet of Himalya International Limited as at 31<sup>st</sup> March 2013 and the Manufacturing and Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that :

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.

(iii) The Balance Sheet and the Manufacturing and Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account, of the company.

(iv) In our opinion, the Balance Sheet and Manufacturing Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

(v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

(vi) Subject to above and read together with other notes appearing in schedule 18, the said statement of accounts, in our opinion and to the best of our information and according to the explanations given to us, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2013.
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date, and
- (c) In the case of cash flow statement, of the cash flows of the year ended on that date.

For ANUJEET DANDONA & Co.  
Firm Registration No.006118C  
Chartered Accountants

(ANUJEET SINGH)  
Proprietor FCA.  
M No.73662

Dated: 27.08.2013  
Place: Dehradun



## Himalya International Limited, New Delhi.

Referred to in paragraph 3 of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the company has not disposed off substantial part of its fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has granted loans to other companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 as under:

Name of the company	Nature of loan	Balance as on 31.03.2013	Maximum Amount Due
APJ Laboratories Ltd.	Advance against purchase	61758	61758
Doon Valley Foods Pvt Ltd.	Advance against purchase	81717	81717
Himalya Carbonates Pvt Ltd.	Loans & Advances	315	315

- (i) The terms of the loans are not prejudicial to the interest of the company.
- (ii) The repayment of principal and interest, wherever applicable, is as per term and conditions.
- (iii) Not applicable in terms of observation at (iii) (a) supra.
- (b) Further, The company has not taken loans from other companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Further Disclosure is not required.
- (iv) 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 nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.



- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into registers maintained under section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding in value of Rs. 5 lacs, in respect of any party during the year, have been made, keeping in view surrounding circumstances, and quantum of transaction, at prices which are reasonable having regard to the prices prevailing in the market at the relevant time for similar transactions.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any loans/ deposits from public falling within the provisions of sections 58 A and 58 AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government Rules for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax/ sales tax/ excise duty which were in arrears, as at 31/03/13 for a period of more than six months from the date they became payable.
- (c) According to the record of the company, the details of disputed dues of income tax, Excise Duty and stamp duty are as under:

Particulars of dues	Amount Rs. '000'	Period to which amount relates	Forum where dispute is pending
Income Tax	5493	AY 2006-07	CIT (Appeal)
Income Tax	49488	AY 2007-08	CIT (Appeal)
Income Tax	89602	AY 2008-09	CIT (Appeal)
Income Tax	97962	AY 2009-10	CIT (Appeal)
Income Tax	31632	AY 2010-11	CIT (Appeal)
Excise Duty	943	-	Tribunal
Stamp Duty	565	-	High Court (H.P.)

- (x) The Company has no accumulated losses at the end of the financial year and It has not incurred cash losses in the current year and immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, in our opinion the company has not defaulted in repayment of dues to a financial institution.
- (xii) The clause is not applicable to the company since the company has not granted any loans and advances on the basis of security by way of pledge of shares/ debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of the clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



- (xv) In our opinion, the clause is not applicable to the company since the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short- term basis have been used for long-term investment. No long – term funds have been used to finance short-term assets except Permanent working capital.
- (xviii) According to the information and explanations given to us, the company had not made the Preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act i.e. as under.
- (xix) According to the information and explanations given to us, during the year covered by our audit report, the company has not issued any debentures.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) 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.

For ANUJEET DANDONA & Co.  
Firm Registration No.006118C  
Chartered Accountants

(ANUJEET SINGH)  
Proprietor FCA.  
M No.73662

Dated: 27.08.2013  
Place: Dehradun



# HIMALYA INTERNATIONAL LIMITED



Himalya International Limited  
Balance Sheet as at March 31, 2013  
(All amounts in Rs '000 unless otherwise stated)

	Note No	As at March 31, 2013	As at March 31, 2012
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	514,041	514,041
Reserves and surplus	4	1,686,522	1,154,882
		<u>2,200,563</u>	<u>1,668,923</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	592,091	683,550
Deferred tax liabilities		42,292	25,293
Other Long term liabilities	6	385	425
Long-term provisions	7	3,782	3,689
		<u>638,550</u>	<u>712,957</u>
<b>Current liabilities</b>			
Short-term borrowings	8	573,760	566,457
Trade payables	9	27,194	35,212
Other current liabilities	9	103,779	236,745
Short-term provisions	10	29,276	26,798
		<u>734,009</u>	<u>865,212</u>
<b>TOTAL</b>		<u><b>3,573,122</b></u>	<u><b>3,247,092</b></u>
<b>ASSETS</b>			
<b>Non-Current assets</b>			
<b>Fixed assets</b>			
Tangible assets	11	1,685,440	940,585
Capital work-in-progress		543,639	1,252,985
Non-current investments	12	114,936	47,000
Long-term loans and advances	13	39,831	30,761
Other non-current assets	14	23,281	14,006
		<u>2,407,127</u>	<u>2,285,337</u>
<b>Current assets</b>			
Inventories	15	628,481	662,541
Trade receivables	16	340,809	172,835
Cash and cash equivalents	17	14,074	18,852
Short-term loans and advances	18	154,704	77,785
Other current assets	19	27,927	29,740
		<u>1,165,995</u>	<u>961,753</u>
<b>TOTAL</b>		<u><b>3,573,122</b></u>	<u><b>3,247,092</b></u>

Statement of Significant Accounting Policies 2

The notes referred to above and notes to accounts form an integral part of the balance sheet

As per our report of even date  
For Anujee Dandona & Co.  
Firm Registration No. 006118C  
Chartered Accountants

For and on behalf of the Board

(Anujee Singh)  
Proprietor FCA  
Membership No. 73662

Man Mohan Malik  
Chairman & Managing  
Director  
DIN:00696077

Sangita Malik  
Director  
DIN: 02428506

Place: Paonta Sahib  
Date: 27.08.2013

Ajay Kaushtik  
DGM Finance

Anjali Tomar  
Company Secretary





Himalya International Limited  
Statement of Profit and Loss Account for the year ended March 31, 2013  
(All amounts in '000 Rupees unless otherwise stated)

	Note No	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>Continuing Operations</b>			
Revenue from operations	20	1,666,794	1,084,441
Other Income	21	394,204	20,536
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	27,460	293,379
<b>Total Revenue</b>		<b>2,088,458</b>	<b>1,398,356</b>
<b>Expenses:</b>			
Manufacturing and other expenses	23	936,827	820,464
Employee benefits expense	24	63,717	54,708
Other expenses	25	285,554	203,917
<b>Total Expenses</b>		<b>1,286,098</b>	<b>1,079,089</b>
<b>Earning before financial expenses, depreciation and amortisation, and taxes</b>		<b>802,360</b>	<b>319,267</b>
Finance costs	26	164,162	77,301
Depreciation and amortisation expense	11	87,824	42,905
<b>Profit before tax</b>		<b>550,374</b>	<b>199,060</b>
Tax expense			
- Minimum Alternate Tax		1,735	9,434
- Deferred tax		16,999	16,090
<b>Profit for the year</b>		<b>531,640</b>	<b>173,536</b>
Earnings per equity share [nominal value of share Rs 10/- (Previous year Rs 10/-)]	27.15		
- Basic		10.34	3.43
- Diluted		10.34	3.38

## Statement of Significant Accounting Policies

2

The notes referred to above and notes to accounts form an integral part of the balance sheet

As per our report of even date  
For Anujee Dandona & Co.  
Firm Registration No. 006118C  
Chartered Accountants

For and on behalf of the Board

(Anujee Singh)  
Proprietor FCA  
Membership No. 73662

Man Mohan Malik  
Chairman & Managing  
Director  
DIN:00696077

Sangita Malik  
Director  
DIN: 02428506

Place: Paonta Sahib  
Date: 27.08.2013

Ajay Kaushik  
DGM Finance

Anjali Tomar  
Company Secretary



## Himalya International Limited

**CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2013  
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENTS****AMOUNT**  
(Rs. in '000)**CASH FLOW FROM OPERATING ACTIVITIES**

Net Profit As per P&L Account		531640
Adjustment for:		
Depreciation	87824	
Add/(Less) Refund/(Payment) of Taxes	16999	104823
<b>A. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>636463</b>

## Adjustment for :

(Increase)/Decrease in Investments	(67936)	
(Increase)/Decrease in Loan and advances	(9070)	
Increase/(Decrease) in Borrowings	(91406)	
(Increase)/Decrease in Non Current Assets	(9275)	
(Increase)/Decrease in Current Assets	(209018)	
Increase/(Decrease) in Current Liabilities	(131203)	(517908)

## NET CASH FROM OPERATIVE ACTIVITIES

118555

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Purchase (Sale) of / Advance for Fixed Assets		123333
---	--	--------

## NET CASH PAID FROM INVESTING ACTIVITIES

123333

**C. CASH FLOW FROM FINANCING ACTIVITIES :**

Proceeds from issue of share capital

0

## NET CASH RECEIVED FOR FINANCING ACTIVITIES

0

## NET DECREASE IN CASH AND CASH EQUIVALENTS

(4778)

CASH AND CASH EQUIVALENT (OPENING)

18852

CASH AND CASH EQUIVALENT (CLOSING)

14074

For and on behalf of Board

Place: Paonta Sahib  
Date: 27.08.2013Man Mohan Malik  
Chairman & Managing Director  
DIN:00696077**AUDITOR'S CERTIFICATE**

We have verified the above Cash Flow Statement of Himalya International Ltd. derived from the Audited financial statement for the year ended March 31, 2013 and found the same are drawn in accordance therewith and also with the requirements of Clause 32 of the listing Agreements with the stock exchanges

**FOR ANUJEET DANDONA & CO.**Firm Registration No.006118C  
Chartered Accountants

(ANUJEET SINGH)

Proprietor FCA  
Membership No.73662  
Date: 27.08.2013



## ==+'Profit &amp; Loss Account'IA2

## Notes to Accounts

(All amounts in Rupees unless otherwise stated)

1. **Nature of Operations :** Himalya International Ltd., incorporated in New Delhi, India, is a food processing company engaged in growing of mushrooms, IQF ready to eat items and trading in nutritional supplement. It is exporting its products to USA and also selling them domestically.

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

(a) **Basis of preparation :** The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under The historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company with those used in the previous year.

(b) **Use of Estimates :** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) **Changes in Accounting Policies :** There is no change in accounting policy during the year under audit vis.a.vis the previous financial year.

(d) **Fixed Assets :** Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(e) **Depreciation :** Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV to the Companies Act, 1956.

Particulars	Rates (SLM)	Schedule XIV Rates (SLM)
Buildings		
- Admin Building	1.63%	1.63%
- Factory Building	3.34%	3.34%
Plant and Machinery	4.75%	4.75%
Computers (included in plant & machinery)	16.21%	16.21%
Furniture and Fittings	6.33%	6.33%
Vehicles:		
- Cars	9.50%	9.50%
- Trucks	11.31%	11.31%

(f) **Government grants and subsidies :** Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attached conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset. Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.



(h) **Inventories** : Inventories are valued as follows:

**Raw materials, components, stores and spares** : Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

**Work-in-progress and finished goods** : Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) **Revenue recognition** : Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(j) **Sale of Goods** : Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

(k) **Interest** : Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(l) **Dividends** : Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries, if any, is recognised even if same are declared after balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI to the Companies Act, 1956.

(m) **Royalties** : Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreement.

(n) **Deferred Revenue Expenditure** : Costs incurred in raising funds are amortised equally over the period for which the funds are acquired. Where such period is not practically determinable they are amortised equally over a period of 5 years.

(o) **Foreign currency translation** :

(i) **Initial Recognition** : Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Expenses are recorded as per monthly average of the exchange rate.

(ii) **Conversion** : Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that when the values were determined. Expenses in foreign currency are reported using monthly average of the rate.

(iii) **Exchange Differences** : Exchange differences arising on a monetary item that, in substance, form part of company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) **Forward Exchange Contracts not intended for trading or speculation purposes** : The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. However, exchange difference in respect of accounting period commencing on or after 7th December, 2006 arising on the forward exchange contract undertaken to hedge the long term foreign currency monetary item, in so far as asset, are added to or deducted from the cost of asset and in other cases, are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset / liability but not beyond 31st March, 2011.



(v) **Forward Exchange Contracts for trading or speculation purposes** : A gain or loss on such forward exchange contracts is computed by multiplying the foreign currency amount of the forward exchange contract by the difference between the forward rate available at the reporting date for the remaining maturity of the contract and the contracted forward rate (or the forward rate last used to measure a gain or loss on that contract for an earlier year). The gain or loss so computed is recognised in the statement of profit and loss for the period. The premium or discount on the forward exchange contract is not recognised separately.

(vi) **Translation of Integral and Non-integral foreign operation** : The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself. In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised. When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(p) **Retirement and other employee benefits** : (i) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

(ii) Gratuity liability is a defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

(iii) No provision is made for unencashable short term compensated absences.

(iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(q) **Income taxes**: Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India [and tax laws prevailing in the respective tax jurisdictions where the Company operates].

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of chartered accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.



**(r) Employee Stock Compensation Cost:** Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

**(s) Earnings Per Share:** Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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

**(u) Derivative Instruments:** As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

**(v) Impairment:** The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, The Company has measured its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(w) Borrowing Costs:** Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**(x) Cash Flow Statement:** Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard-3 issued under the Companies (Accounting Standard) Rules 2006 and as required by the Securities and Exchange Board of India.

**(y) Leases:** Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.



Himalya International Limited  
Notes to Accounts  
(All amounts in Rs '000 unless otherwise stated)

Note 3 Share Capital

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Authorised</b>		
7,50,00,000 (Previous year 7,50,00,000) equity shares of Rs. 10/- each	750,000	750,000
<b>Issued</b>		
5,14,04,106 ( Previous year 5,14,04,106) equity shares of Rs. 10/- each	514,041	514,041
<b>Subscribed &amp; Paid up</b>		
5,14,04,106 ( Previous year 5,14,04,106) equity shares of Rs. 10/- each	514,041	514,041
<b>Total</b>	<b>514,041</b>	<b>514,041</b>

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2013		March 31, 2012	
	Number ('000)	Amount in Rs. '000	Number ('000)	Amount in Rs. '000
<b>Equity shares</b>				
At the beginning of the year	51,404	514,040	50,432	504,321
Issued during the year	-	-	972	9,720
Outstanding at the end of the year	51,404	514,041	51,404	514,041

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 each. No dividend has been proposed. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(c) Details of Shares held by each shareholder holding more than 5% shares

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bencit Coleman & Co. Ltd.	2,380,590	4.63	5,000,000	9.73
First Family Holding	3,302,613	6.42	3,302,613	6.42

(d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer Note 27.6  
The company issued 972,000 shares under ESOP during the year 2011-12 against the 15,00,000 equity shares approved under scheme of ESOP 2008.

Note 4 Reserve and surplus

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Capital Fund</b>	<b>104</b>	<b>104</b>
<b>Capital Reserve</b>	<b>29,227</b>	<b>29,227</b>
<b>Securities premium reserve</b>		
Balance as per last financial statements	331,315	331,315
Add: premium received on issue of equity shares	-	-
Less: amount utilised towards issue expenses of new equity share	-	-
<b>Closing Balance</b>	<b>331,315</b>	<b>331,315</b>
<b>Accumulated Profits in the statement of profit and loss</b>		
Balance as per last financial statements	794,236	620,700
Profit for the year	531,640	173,536
<b>Accumulated Profits in the statement of profit and loss</b>	<b>1,325,876</b>	<b>794,236</b>
<b>Total reserves and surplus</b>	<b>1,686,522</b>	<b>1,154,882</b>

Note : Capital Reserve include Capital Subsidy given by MOFPI & Himachal Pradesh State Government.



Himalya International Limited  
Notes to Accounts  
(All amounts in Rs '000 unless otherwise stated)

Note 5 Long term borrowings

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<b>Secured</b>				
Term loans				
from banks	588,628	683,550	58,624	109,390
from other parties.	3,463	-	794	296
<b>Total</b>	<b>592,091</b>	<b>683,550</b>	<b>59,418</b>	<b>109,686</b>

Notes:

a. **Term loans from banks:-** Term Loan from SBI Overseas Branch is secured by way of pari passu charge on equitable mortgage of free hold land & Building at village Subhkhera, Paonta Sahib and Equitable Mortgage of Leasehold Land at Gondpur Industrial Area, and fixed assets purchased out of the loan amount and second pari-pasu charge on free hold land & Building and Plant & Machinery at Village Sultanpur, Vadnagar, Distt. Mehsana, Gujarat alongwith personal guarantees of the Directors and Promoters. Term Loan from Corporation Bank M-41, Cannought Circus Branch, New Delhi, Exim Bank Chandigarh and Bank of Baroda is secured by way of first charge on free hold land & Building and plant & Machinery at Village Sultanpur, Vadnagar, Distt. Mehsana, Gujarat and second pari-pasu charge on free hold land at Subhkhera, Paonta Sahib and Equitable Mortgage of Leasehold Land at Gondpur Industrial Area, and other fixed assets alongwith personal guarantees of the Directors and Promoters.

All vehicle loans are secured against the vehicle and personal guarantee of the CMD Mr. Man Mohan Malik.

DG Set loan is secured against the DG Set and personal guarantee of the CMD Mr. Man Mohan Malik.

The Company has not defaulted in either repayment of principal or interest, during the year.

There is no instalment of Principal repayment due in year 2013-14 for corporation bank and Bank of Baroda (rupee loan) as all paid in advance

Particulars	As at March 31, 2013	As at March 31, 2012	Rate of Interest	Date of Maturity	Repayment	Instalment due in 2013-14	Instalment due in 2012-13
	Balance Rs'000						
State Bank of India (Rupee Loan)	6,351	19,035	13.35	30.09.2013	Quarterly	6,351	12500
State Bank of India TL -2(Rupee Loan)	42,233	0	13.40	31.03.2018	Quarterly	4,688	0
Corporation Bank 1 (FCTL)	211,000	247,025	6.0+Libor	31.03.2019	Monthly	36,000	36000
Corporation Bank 2 (Rupee Loan)	2,217	181,450	15.25	31.03.2019	Monthly	-	27900
Export Import Bank of India (FCTL)	250,807	295,000	5.25+Libor	29.03.2020	Quarterly	5,000	20000
Bank of Baroda (Rupee Loan)	120,660	40,000	14.75	25.03.2018	Quarterly	-	9000
ICICI Bank Limited (Rupee Loan)	1,030	1,650	9.49	15.09.2014	Monthly	681	620
HDFC Bank (Rupee Loans)	2,833	3,769	8.73	05.01.2015	Monthly	1,021	937
HDFC Bank (Rupee Loans)	731	1,520	11.69	05.01.2014	Monthly	731	789
HDFC Bank (Rupee Loans)	800	1,513	11.75	20.03.2014	Monthly	800	714
HDFC Bank (Rupee Loans)	1,047	1,978	11.49	20.03.2014	Monthly	1,047	931
HDFC Bank (Rupee loans - aggregated)	1,479	-	10.75	20.10.2015	Monthly	632	-
HDFC Bank (Rupee Loans)	2,458	-	10.75	01.03.2017	Monthly	533	-
HDFC Bank (Rupee loans - aggregated)	654	-	10.75	05.03.2016	Monthly	196	-
HDFC Bank (Rupee loans - aggregated)	2,952	-	10.75	01.02.2016	Monthly	944	-
<b>Total</b>	<b>647,252</b>	<b>792,940</b>				<b>58,624</b>	<b>109,391</b>

B. Term loans from other parties

a. All vehicle loans are secured against the vehicle and personal guarantee of the CMD, Mr. Man Mohan Malik taken from BMW financial Services and Tata Capital Limited.

b. The Company has not defaulted in repayment of either principal or interest during the year.

Particulars	As at March 31, 2013	As at March 31, 2012	Rate of Interest	Date of Maturity	Repayment	Instalment due in 2013-14	Instalment due in 2012-13
	Balance Rs'000						
Tata Capital Limited -1	-	221	13.00	03.08.2012	Monthly	-	75
Tata Capital Limited -2	263	-	11.00	15.08.2016	Monthly	66	-
Sundram Finance	-	75	13.89	22.07.2012	Monthly	-	221
BMW Financial Service	3,994	-	10.82	01.09.2017	Monthly	728	-
<b>Total</b>	<b>4,257</b>	<b>296</b>				<b>794</b>	<b>221</b>





**Himalya International Limited**  
**Notes to Accounts**  
(All amounts in Rs '000 unless otherwise stated)

**Note 6 Other long term liabilities**

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Others		
Advances and deposits from customers (Non Current)	385	425
<b>Total</b>	<b>385</b>	<b>425</b>

**Note 7 Long term provisions**

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Provision for employee benefits		
Provision for gratuity	3,782	3,689
<b>Total</b>	<b>3,782</b>	<b>3,689</b>

**Note 8 Short term borrowings**

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Secured		
Loans repayable on demand		
Cash Credit/Export Credit facilities	573,760	566,457
<b>Total</b>	<b>573,760</b>	<b>566,457</b>

**Notes:**

**Secured:**

- Fund base limits of EPC and CC hypothecation from SBI and Corporation Bank are secured by way of first charge on present and future stock of raw materials, stock-in-process, finished goods, stores, spares and domestic receivables, and pari-pasu charge on fixed assets of the company, both present and future, alongwith personal guarantees of the Directors and Promoters.
- Bills Documentry credit limit from SBI and Corporation Bank are secured by way of first charge export bills and pari-pasu charge on fixed assets of the company, both present and future, alongwith personal guarantees of the Directors and Promoters.



## Himalya International Limited

## Notes to Accounts

(All amounts in Rs '000 unless otherwise stated)

## Note 9 Other Current Liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Trade payables	27,194	35,212
<b>Total</b>	<b>27,194</b>	<b>35,212</b>
<b>Other Liabilities</b>		
Advances and deposits from customers	-	25,594
Current maturities of long-term debt	59,418	109,687
Creditors for purchase of fixed assets	25,418	85,700
Other payables		
Expense payable	16,069	12,133
Income tax payable (tax deducted at source)	800	2,649
Employees State Insurance payable	528	255
Employees Provident Fund payable	1,546	728
<b>Total</b>	<b>103,779</b>	<b>236,746</b>
<b>Total</b>	<b>130,973</b>	<b>271,958</b>

## Note 10 Short term provisions

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits		
Provision for leave encashment	1,853	1,110
Other		
Provision for tax	27,423	25,688
<b>Total</b>	<b>29,276</b>	<b>26,798</b>



Himalya International Limited  
Notes to Accounts  
(All amounts in Rs. '000 unless otherwise stated)

Note 11 Fixed assets- Tangible assets

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION		NET BLOCK	
	AS ON 01.04.12	ADDITIONS DURING THE PERIOD	SALES/ADJ. DURING THE PERIOD	UPTO 01.04.12	PROVIDED FOR THE PERIOD	TOTAL AS ON 31.03.2013	TOTAL AS ON 31.03.2012
Land	155,288	-	-	-	-	155,288	155,288
Building	376,317	65,151	-	56,704	14,406	438,468	319,613
Plant & Machinery	652,803	1,086,882	335,157	217,185	68,718	1,404,528	435,618
Furniture and Fixture	9,188	4,121	-	2,439	806	13,309	6,749
Vehicles	35,867	14,682	-	12,550	3,894	50,549	23,317
<b>TOTAL</b>	<b>1,229,463</b>	<b>1,167,836</b>	<b>335,157</b>	<b>288,878</b>	<b>87,824</b>	<b>2,402,142</b>	<b>940,585</b>
Previous Year	(840,516)	(388,947)	-	(245,972)	(42,905)	(940,586)	(594,544)
Capital work in Progress						543,639	1,252,985



Himalya International Limited  
Notes to Accounts  
(All amounts in Rs '000 unless otherwise stated)

Note 12 Non-current investment

Particulars	As at March 31, 2013	As at March 31, 2012
Long term investments (at cost)		
(Equity Shares, Fully paid up, unquoted)		
In joint venture (Himalya Simplot Pvt. Ltd.)		
2279966 Shares of Rs 10/- each	114,936	50
Share Application Money	-	46,950
Less: Provision for diminution in value of Investments	-	-
Total	114,936	47,000

Notes (1) Aggregate amount of Unquoted Investments:  
Cost Rs 11,49,36,000 (As at 31.03.2011 Rs 47000000)

Note 13 Long Term loans and advances

Particulars	As at March 31, 2013	As at March 31, 2012
Capital advances		
Unsecured, considered good		
Security deposits		
Unsecured, considered good		
Deposits to others	8,482	8,412
	8,482	8,412
Subsidy and Other Receivables		
Unsecured, considered good		
Capital Subsidy (MOFPI)	3,167	3,167
Capital Subsidy Cheese Plant (MOFPI)	3,750	3,750
	6,917	6,917
Other loans and advances		
Unsecured, considered good		
Advance tax and tax deducted at source	24,432	15,432
	24,432	15,432
Total	39,831	30,761

Note 14 Other Non Current Assets

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless stated otherwise		
Mat Credit entitlements	17,159	7,384
Advance to corporate	6,122	6,122
Total	23,281	14,006



Himalya International Limited  
Notes to Accounts  
(All amounts in Rs '000 unless otherwise stated)

Note 15 Inventories

Particulars	As at March 31, 2013 As at March 31, 2012	
<b>Inventories (at lower of cost and net realisable value)</b>		
Raw Material	83,100	146,664
Goods in Process	130,819	130,403
Finished Goods	372,779	364,172
Goods in transit	18,437	-
Consumables	23,346	21,302
<b>Total</b>	<b>628,481</b>	<b>662,541</b>

Note 16 Trade Receivables

Particulars	Non-Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<b>Outstanding for a period exceeding six months from the date they are due for payments</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	80,995	-	3,732	9,270
Unsecured, Considered doubtful	-	-	-	-
	80,995	-	3,732	9,270
Provision for doubtful debts	-	-	-	-
	80,995	-	3,732	9,270
<b>Other debts</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	256,082	163,565
Unsecured, considered doubtful	-	-	-	-
	-	-	256,082	163,565
Provision for doubtful debts	-	-	-	-
	-	-	256,082	163,565
<b>Total</b>	<b>80,995</b>	<b>-</b>	<b>259,814</b>	<b>172,835</b>

Trade receivables include:

	Non-Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<b>Dues from private limited companies in which one or more directors of the Company are directors:</b>				
- Himalya Simplot Pvt Ltd.	-	-	1,235	-
	-	-	1,235	-

Note 17 Cash and Cash Equivalents

Particulars	Non-Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<b>Cash and cash equivalents</b>				
<i>Balances with banks:</i>				
On current accounts with scheduled banks	-	-	4,068	14,931
On current accounts with Non scheduled banks	-	-	7	7
On EEFC accounts	-	-	21	46
	-	-	4,096	14,984
Cheques, drafts on hand	-	-	-	-
Cash on hand	-	-	118	218
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	8,877	3,650	983	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-
	8,877	3,650	5,197	15,202

Notes:

Deposits accounts include Rs. 9860 (Previous year Rs.3650) of deposits pledged against Margin money and Bank Guarantees and others.



## Himalya International Limited

## Notes to Accounts

(All amounts in Rs '000 unless otherwise stated)

## Note 18 Short term loans and advances

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Loans and advances to related parties</b>		
Unsecured, considered good		
Loan to a related party	143,789	35,031
	<u>143,789</u>	<u>35,031</u>
<b>Others</b>		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	4,540	36,777
TDS receivable	1,388	292
VAT Receivables	237	155
Staff advance	4,750	5,530
	<u>10,915</u>	<u>42,754</u>
Unsecured considered doubtful		
Advances recoverable in cash or in kind or for value to be received	-	-
Less: Provision for doubtful advances	-	-
	<u>154,704</u>	<u>77,785</u>
<b>Dues from private limited companies in which one or more directors of the Company are directors:</b>		
APJ Laboratories Ltd	61,758	35,031
Doon Valley Foods Pvt Ltd.	81,716	-
Himalya Carbonates Pvt Ltd	315	-
	<u>143,789</u>	<u>35,031</u>

## Note 19 Other Current Assets

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good		
Interest accrued on		
Fixed deposits	-	511
Subsidy and incentive receivable	27,927	29,229
	<u>27,927</u>	<u>29,740</u>
<b>Total</b>	<u>27,927</u>	<u>29,740</u>



HIMALYA INTERNATIONAL LIMITED



Himalya International Limited  
Notes to Accounts  
(All amounts in Rs '000 unless otherwise stated)

Note 20 Revenue from Operations

Particulars	For the Period ended March 31, 2013	For the year ended March 31, 2012
Sale of goods		
Sales- Export	244,854	182,583
Sales- Domestic	1,421,940	901,858
<b>Total</b>	<b>1,666,794</b>	<b>1,084,441</b>

Note 21 Other Income

Particulars	For the Period ended March 31, 2013	For the year ended March 31, 2012
Minimum Guarantee against processing charges	982	1,708
Interest income	1,079	1,110
Export Incentive	10,242	2,038
Exchange profit	14,099	-
Profit on sale of Plant & Machinery	341,532	-
Rental Income- Warehouse	23,920	-
Misc. Income	2,350	15,680
<b>Total</b>	<b>394,204</b>	<b>20,536</b>

Note 22 Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	For the Period ended March 31, 2013	For the year ended March 31, 2012
Opening Stock		
Goods in Process	130,403	43,723
Finished Goods	364,172	140,936
Finished Goods-in Transit	-	16,537
	<b>494,575</b>	<b>201,196</b>
Closing Stock		
Goods in Process	130,819	130,403
Finished Goods	372,779	364,172
Finished Goods-in Transit	18,437	-
	<b>522,035</b>	<b>494,575</b>
<b>Total</b>	<b>27,460</b>	<b>293,379</b>

Note 23 Manufacturing & Other Exp

Particulars	For the Period ended March 31, 2013	For the year ended March 31, 2012
Raw Material & Consumables Consumed	735,305	667,420
Labour & Labour welfare	58,426	45,046
Power & Fuel	71,452	62,197
Freight Inward	4,758	3,050
Packing Expenses	52,541	30,022
Others	14,345	12,729
<b>Manufacturing &amp; Other Exp</b>	<b>936,827</b>	<b>820,464</b>

Raw Material & Consumables Consumed

Opening Stock	167,966	18,509
Purchases	673,785	816,877
Less : Closing Stock	106,446	167,966
<b>Cost of Goods Consumed</b>	<b>735,305</b>	<b>667,420</b>



Himalya International Limited  
Notes to Accounts  
(All amounts in Rs '000 unless otherwise stated)

Note 24 Employee Benefit Plans

Particulars	For the Period ended	For the year ended
	March 31, 2013	March 31, 2012
Salaries, wages and bonus	56,800	47,571
Contribution to		
Provident fund	2,816	3,779
Employees' State Incorporation Fund	915	806
Gratuity expenses	346	73
Staff welfare expenses	2,840	2,479
<b>Total</b>	<b>63,717</b>	<b>54,708</b>

Note 25 Other Expenses

Particulars	For the Period ended	For the year ended
	March 31, 2013	March 31, 2012
Power and fuel	945	844
Rent:		
- Offices and Godowns	12,091	12,821
Rates and taxes	4,862	4,726
Insurance	2,965	1,874
Repairs and maintenance:		
- Plant and machinery	7,520	6,052
- Building	1,852	1,521
- Others	577	652
Advertisement and sales promotion	13,224	5,657
Postage and courier	814	672
Travelling and conveyance	16,012	8,180
Printing and stationery	3,045	2,451
Communication	2,024	4,512
Legal and professional	14,768	4,834
Payment to Auditors (refer note 27.2)	618	645
Selling Expenses	90,400	61,513
Freight Outward	55,601	49,511
Miscellaneous expenses	58,236	37,452
<b>Total</b>	<b>285,554</b>	<b>203,917</b>

Note 26 Finance Cost

Particulars	For the Period ended	For the year ended
	March 31, 2013	March 31, 2012
Interest expense		
on fixed loans	154,788	66,190
on other loans	1,244	1,349
Other borrowing costs	8,130	835
Loss on Exchange Fluctuation	-	8,927
<b>Total</b>	<b>164,162</b>	<b>77,301</b>





## Himalya International Limited

## Notes to Accounts

(All amounts in Rs '000 unless otherwise stated)

## Note 27

## 27.1 Directors' Remuneration

(included under head salary)

	2013	2012
Salaries to Managing Director	10,200	7,292
Salaries to Whole Time Director	720	679
Contribution to Provident fund	20	80
	<u>10,940</u>	<u>8,051</u>

Note:- As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

## 27.2 Auditor's Remuneration

(included under head administrative expenses)

	2013	2012
Professional Fee		
-Audit Fees	500	500
-Tax Audit Fees	100	100
Reimbursement of Expenses	18	45
	<u>618</u>	<u>645</u>

## 27.3 Related Party Disclosures

## a Name of Related Parties

Key Management Personnel and their relatives

Mr. M.M. Malik  
Mrs. Sangita Malik

Enterprises over which key management personnel / shareholders and their relatives have significant influence

Himalya Carbonates Pvt. Ltd.  
Doon Valley Foods Pvt. Ltd.  
APJ Laboratories Ltd  
Himalya International INC  
Himalya Simplot Pvt Ltd.

## b Nature of transaction

(i) Managerial Remuneration

	2013	2012
Mr. M.M. Malik	10,200	7,352
Mrs. Sangita Malik	740	699



	2013		2012	
	Transaction Value	Closing Balance	Transaction Value	Closing Balance
<b>(ii) Loans &amp; Advances</b>				
APJ Laboratories Ltd	26,293	61,758	19,519	35,031
Himalya Carbonates Pvt Ltd.	315	315	0	0
Doon Valley Foods Pvt Ltd.	107,529	81,716	0	0
<b>(iii) Sundry creditors</b>				
Doon Valley Foods Pvt Ltd.	11,472	0	33,495	15,276
<b>(iv) Advance from Customer</b>				
Himalya Simplot Pvt Ltd.	20,594	0	30,161	20,594
<b>(v) Sundry Debtors</b>				
Himalya Simplot Pvt Ltd.	122,022	1,235	0	0
<b>(vi) Purchases Value</b>			2013	2012
APJ Laboratories Ltd			1,620	1,364
Doon Valley Foods Pvt Ltd.			9,421	25,060
<b>(vii) Purchase of equity shares</b>				
Himalya Simplot Pvt Ltd.			114,886	50
<b>(viii) Share Application Money</b>				
Himalya Simplot Pvt Ltd.			0	46,950
<b>(ix) Reimbursement of expenses received</b>				
Himalya Simplot Pvt Ltd.			0	42,249
<b>27.4 Contingent Liabilities not provided for</b>				
Claims against the Company not acknowledged as debts			0	0
Guarantees and Counter guarantees given by the Company			3,810	1,120
Letter of credit			6,619	0
Income Tax of Rs.(000) 274177 lacs in respect of Assessment Years 2006-07, 2007-08 and 2008-09 in respect of which the company has gone on appeal. Based on judicial pronouncements and the advice received from the Company's consultants, the management is confident that their appeals are likely to be upheld by the appellate authorities				
(i) Fiscal year ended 31 March 2003		0		6,751
(ii) Fiscal year ended 31 March 2006		5,493		5,493
(iii) Fiscal year ended 31 March 2007		49,488		49,488
(iv) Fiscal year ended 31 March 2008		89,602		89,602
(v) Fiscal year ended 31 March 2009		97,962		125,432
(vi) Fiscal year ended 31 March 2010		31,632	274,177	
Excise duty on Domestic Tariff Areas sales pending in Delhi Tribunal			943	943
Stamp duty case against Himachal Pradesh Government			565	565
			<u>286,114</u>	<u>279,394</u>
<b>27.5 Employee Stock Option Plans</b>				

The Company has, during the year 2012-13, not granted any option under Employees Stock Option Scheme 2008. Subject to the vesting conditions mentioned in the scheme, the balance under the scheme, as on 01.04.2013, is 528,000 equity shares of Rs. 10 each

ESOP	2012-13		2011-12	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	528,000	10	0	0
Granted during the year	0	0	1,500,000	10
Cancelled During the year	0	0	0	0
Exercised During the year	0	0	972,000	10
Expired During the year	0	0	0	0
Outstanding at the end of the year	528,000	10	528,000	10



27.6 Disclosures as required under Accounting Standard 15 (revised) is given below:

**a Earned Leave Benefit (EL)**

Accrual-1 leave per 20 working days

Accumulation up to 30 days allowed

EL accumulated in excess of 15 days is allowed for encashment while in service provided the EL encashed is not less than 5 days.

**b Sick Leave (SL)**

Accrual-7 days per year

Encashment while in service is not allowed

Encashment on retirement is permitted and entire accumulation is allowed for encashment

**c Gratuity:**

Gratuity liability is a defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Key Parameters	2013	2012
Discount rate	8%	8%
Expected rate of return on assets	0	0
Healthcare cost increase rate	0	0
Rate Of Increase in Compensation levels	10%	10%

The estimates of future Salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

**d Long Service Emblem**

On completing of each milestone of service from the date of joining and also at the time of retirement, employees will be given a gift depending on the milestone of service completed.

**e Post Retirement Medical Benefits**

There is no post retirement medical benefit in the company

**f Retirement Benefits**

At the time of superannuation, employees are entitled for reimbursement of expenses towards travel, transportation of personal effects from their place of retirement to the new location up to certain limits depending on the designation of the employee at the time and one month's salary as settling allowance.

The following contributions to Defined Contributions plans are treated as expenses during the year

Defined Contribution Plan	Expenses recognised during 2012-13	Contribution for key management personnel
Employer's contribution to provident fund	2,816	20
(Previous year)	(1791)	(80)
Employee State Insurance	915	0
(Previous year)	(590)	0

The amount recognised in the balance sheet for post employment benefit plans are as under

Particulars	Gratuity (UnFunded)	Post Retirement Medical Benefit	Other Retirement Benefits
Present value of unfunded Obligation	3,782	0	0
(Previous year)	(3689)	0	0



**27.7 Derivative Instruments and hedged Foreign Currency Exposures**

Particulars of Derivatives	2013		2012	
	Rs.(000)	US\$(000)	Rs.(000)	US\$(000)
Forward contract outstanding as at Balance Sheet date				
Forward contracts	312,852	5,400	161,265	3,000
Purpose		Hedge of expected future sales		
Conversion rate applied 1 USD= Rs. 57.94 (Previous rate Rs.53.75)				

**27.8 Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date**

Particulars	2013		2012	
	Rs.	US\$	Rs.	US\$
Import Creditors	0	0	48,258	913
Secured loan (Exim Bank)	250,807	5,470	295,000	6,433
Secured loan (Corporation Bank)	211,000	4,563	247,025	5,341

**27.9 Deferred Payment Liabilities**

Particulars	2013		2012	
Deferred Current Assets (Liabilities) as per Balance Sheet			(25294)	(9203)
Deferred Tax Liability				
Depreciation as per Companies Act			87,824	42,905
Depreciation as per Income Tax Act			142,291	93,599
Difference			54,457	50,694
Deferred Tax Liability			17,672	16,448
Deferred Tax Assets on 43B Items				
PF (Employers Share) not deposited as on 31.03.2012			1,546	846
ESI (Employers Share) not deposited as on 31.03.2012			528	255
Total			2,074	1,101
Deferred Tax Assets			673	357
Net Deferred Tax Liability			(16999)	(16091)
			(42293)	(25294)

**27.10 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006** The classification of the suppliers under MSMED Act, 2006 is made on the basis of information made available to the company. The company has neither paid any interest in the terms of section 16 of the above said act nor any interest remains unpaid and no payments were made beyond the "appointed date" to such enterprises during the year ended 31.03.2013. amount outstanding to these enterprises to the year ended 31.03.2013 is Rs. Nil (previous year Rs. Nil).

**27.11** The Company has exercised the option as per the Companies Accounting Standard Rules, 2009. As per the option, exchange differences related to long term foreign currency monetary items, so far as they relate to the acquisition of a depreciable capital assets, are capitalized and depreciated over the useful life of the assets and in other cases, are transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term assets/liabilities but not beyond accounting period ending on or before 31st March 2013. The unamortized balance in this account is Rs. Nil (Previous year Rs. NIL)



27.12 Segment Disclosure

a Primary Segment Disclosure

Particulars	Fresh Mushroom		Processed food		Trading		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenue								
Turnover	1066410	610530	607280	467281	7105	6630	1680765	1084441
Other income			52,872	20536			52672	20536
Result	210851	151247	-2720	47150	711	663	208842	189060
Un Allocated Corporate Expenses							0	0
Operating Profit							208842	189060
Profit on Sale of Machinery							341532	0
Interest Income							0	0
Income Taxes							18734	25524
Net Profit							531640	173536
Other Information								
Segment Assets	1164244	1011063	1744181	833215	0	0	2908425	1944278
Unallocated Corporate Assets							664697	1302814
Total assets							3573122	3247092
Segment Liabilities	1402165	343084	2103247	514626	0	0	3505412	857710
Unallocated Corporate Liabilities							67710	720458
Total Liabilities							3573122	1578168
Capital Expenditure							0	0
Depreciation	26458	24360	61366	18545	0	0	87824	42905
Amortisation	0	0	0	0	0	0	0	0
Non-cash Expenses other than Depreciation and amortisation								

b Information About the Secondary Segments

Revenue and sundry debtors as per Geographical Markets

Particulars	Revenue		Sundry Debtors	
	2013	2012	2013	2012
India	1,421,940	901,858	63,141	59,869
Outside India	244,854	182,583	277,714	112,966
<b>Total</b>	<b>1,666,794</b>	<b>1,084,441</b>	<b>340,856</b>	<b>172,835</b>

The company has common fixed assets for producing goods for domestic Market and Overseas Market. Hence separate figure for fixed assets/additions to fixed assets cannot be furnished.

27.13 Value of Imports calculated on CIF basis

	2013	2012
Raw materials	8,197	28,660
Components and spare parts	394	30
Capital goods	53,727	6,441

27.14 Imported and indigenous raw materials, components and spare parts consumed

	Percentage of total consumption			
	2013	2012	2013	2012
<b>Raw Materials</b>				
Imported	1.11%	4.29%	8,197	28,660
Indigenously obtained	98.89%	95.71%	727,108	638,760
	100.00%	100.00%	735,305	667,420
<b>Spare Parts / Components</b>				
Imported	5.24%	0.00%	394	30
Indigenously obtained	94.76%	100.00%	7,126	5,560
	100.00%	100.00%	7,520	5,590



h Expenditure in foreign currency (Accrual basis)

	2013	2012
Professional fees		
Purchase of Raw Materials	4,920	7,628
Purchase of Fixed assets	8,197	25,260
General, Administrative and Selling expenses	53,727	6,441
	19,588	14,607

i Earnings in foreign currency (Accrual basis)

	2013	2012
Exports at F.O.B. Value	244,864	182,583

27.15 Earning per shares (E.P.S.)

	2013	2012
Basic E.P.S.		
Diluted E.P.S.	10.34	3.43
Calculation of Basic E.P.S.	10.34	3.38
a) Net Profit for the year attributable To Equity Shareholders	531640	173536
b) Weighted Average Number of Equity Shares	51404106	50591887
c) Basic Earnings per Share (a/b)	10.34	3.43
d) Nominal Value per Share	Rs. 10/-	Rs. 10/-

Calculation of Diluted shares

Weighted Average number of equity shares	51404106	51404106
Number of shares in respect of shares warrants and FCD	0	0
	51404106	51404106

27.16 Assets Taken on Operating Lease

- a The company has taken various residential, office, warehouse and plot under operating lease agreements. The lease agreements generally have an escalation clause and there are no subleases. These leases are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restriction imposed by lease agreement.
- b The aggregate lease rentals payables are charged as 'Rent, Rates and Taxes' in note 24.
- c The year wise breakup of future lease payments in respect of leased premises are as under:

Particulatrs	2013	2012
Minimum lease payments:		
Not later than 1 year	3744	3507
Later than 1 year but not later than 5 years	0	0
Later than 5 years	0	0

27.17 Interest In Joint Ventures

The company has Interest in the following jointly controlled entity:

Name Of the company	% of Holding	Amount of Investment Rs'000
Himalya Simplot Private Ltd.	50	114,936

Since the Company does not have the audited accounts of the jointly controlled entity, Himalya Simplot Private Limited, it cannot assess whether there is any diminution in value of the investments made in the entity.

27.18 There are no material prior year items, except to the extent disclosed, included in the Statement of Profit and Loss.

**27.19 Disclosure as per listing agreements with the Stock exchanges**

Loans and Advances in the nature of loans given to the subsidiaries, associates and others and Investment in shares of the company, by such companies:

Name of the company	Relationship	Transaction	Amount outstanding as at 31.03.2013	Maximum Balance outstanding during the year
APJ Laboratories Ltd	Associates	Loans & advances	61,758 (35031)	61,758 (35031)
Doon Valley Foods Pvt Ltd	Associates	Loans & advances	81,716 (0)	81,716 (0)
Himalya Carbonates Pvt Ltd.	Associates	Loans & advances	315 (0)	315 (0)

(Figures in brackets relate to previous year)

**27.20** The Company has calculated Minimum Alternative Tax on the net profit of the company after excluding the net profit on the product segment 'Fresh Mushrooms' as it considers the income from this segment as agricultural income and exempt under the Indian Income-tax Act and provisions.

**27.21 Previous Year Comparatives**

Previous year's figures have been regrouped / rearranged where necessary to conform to current year's presentation.

Signatures to Notes 1 to 27

As per our report of even date

For Anujeet Dandona & Co.  
Firm Registration No. 006118C  
Chartered Accountants

For and on behalf of the Board

(Anujeet Singh)  
Proprietor FCA  
Membership No. 73662

**Man Mohan Malik**  
Chairman & Managing Director  
DIN: 00696077

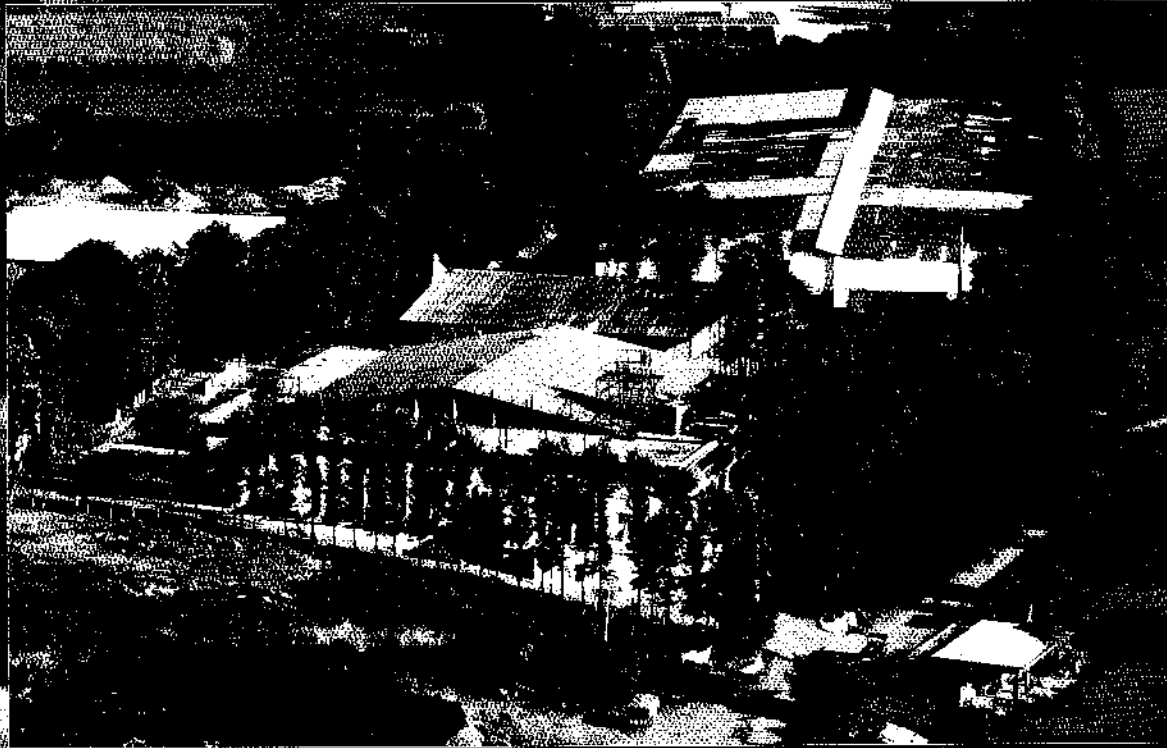
**Sangita Malik**  
Director  
DIN: 02428506

Place: Dehradun  
Date: 27.08.2013

**Ajay Kaushik**  
DGM Finance

**Anjali Tomar**  
Company Secretary

# BOOK POST



(A VIEW OF PAONTA SAHIB, HIMAGHAL PRADESH PLANT)

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