

Himalya

INTERNATIONAL LIMITED

23rd
Annual
Report
YEAR
2014-2015



SWEETS



APPETIZERS



CANNED MUSHROOM

& many more products ...

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

MARKETING OFFICE

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

CORPORATE IDENTIFICATION NUMBER (CIN)

L51909DL1992PLC047399

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



HIMALYA INTERNATIONAL LIMITED



2nd September

My Dear Share Holders
Greetings from Himalya International!

Thanks for this opportunity to communicate with you.

Your Company has struggled hard since the formation of JV in Oct 2011 under which we merged all our resources created over a long period of time including the Contract farming, Marketing & Listing on Retail chains and production from all Frozen Appetiser Lines exclusively for the JV.

The JV managed by the US Partner Simplot went defunct and has inflicted huge losses directly & indirectly on the overall business of Himalya. The entire equity invested in the JV is wiped out. Besides, the stocks made on projections of the JV expired and have been destroyed and there are many other dues unpaid by Simplot USA.

Your Company has taken the following steps to get back on track and achieve the Pre-JV, high growth trajectory asap:

- 1) We have approached our Banks to restructure our debts and the consulting company Dun & Bradstreet has submitted the restructure proposal which is under finalisation by the Lenders.
- 2) We have planned to restart our own marketing setup for frozen Snacks & Appetisers in Food Service & Retail segment.
- 3) Promoters are in process to invest additional equity to strengthen the working capital.
- 4) We are taking steps for additional exports to new markets chiefly SAARC & Middle East.
- 5) We are taking all steps to legally recover losses due to unfair & monopolistic actions of the JV & Simplot India LLC.
- 6) We have also taken steps to recover losses from last year Fire in US warehouse.

Our eyes stay focussed on our Vision 2020 to be one of the best food processing companies in India. We firmly believe that inspite of huge setbacks in last three years, we shall stabilise soon and will be thriving back in the high growth track.

Sincerely
&

With Best Wishes
For Himalya International Ltd
Man Mohan Malik
Chairman



HIMALYA INTERNATIONAL LIMITED



Notice

NOTICE is hereby given that the 23rd Annual General Meeting of the members of the Company will be held on Tuesday, the 30th Day of September 2014, at 2:00 at Swagat, DDA Community Hall, Sector – 7, Near Ramphal Chowk, Dwarka, New Delhi - 110077 to transact the following ordinary business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, 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 Shri Sanjiv Kumar Kakkar (DIN: 02434426), who retires by rotation and being eligible, offers himself 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 pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof, M/s Anujeet Dandona & Company, Chartered Accountants (Firm Registration No. 006118C) be and are hereby re-appointed as Auditors of the Company for a period of 3 years and to hold the office from the conclusion of this Annual General Meeting until the conclusion of the 26th Annual General at remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. Appointment of Mr. Sunil Kumar Khera (DIN 00263581) as an Independent Director

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

“RESOLVED THAT pursuant to provision of section 149, 150, 152 and any other provisions of the Companies Act, 2013 and the rules made thereunder (including statutory modification (s) or re-enactment thereof for the time being in force) read with the schedule IV to companies Act, 2013 Mr. Sunil Kumar Khera , Dierctor of the Company whose period of office is liable to determine by retirement of directors by rotation and in respect of whom, the Company has received a notice in writing from a member under section 160 of the companies act, 2013 proposing Mr. Sunil Kumar Khera as a candidate for the office of Director, be and is hereby appointed as Independent Director of the Company under section 149 of the Companies Act, 2013, not subject to retirement by rotation, to hold the office for five consecutive years up to September 30, 2019

By order of the Board of Directors

Himalya International Limited

Place: Paonta Sahib
Date: 30.07.2014

Man Mohan Malik
(Chairman & Managing Director)
DIN No. 00696077



HIMALYA INTERNATIONAL LIMITED



NOTES:

1. 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.
2. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting, along with the Annual Report.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September 2014 to 30th September 2014, both days inclusive.
4. Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting. Members are requested to notify their email ID.
5. Members are requested to notify the change in their addresses and bank account details, if any.
6. 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 11 a.m. and 1.00 p.m. up to the date of this Annual General Meeting.
7. 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.
8. Members are requested to note that all correspondence relating to share transfer should be addressed to the Company's Share Transfer Agents. Members are requested to notify their email addresses to the company's Share Transfer Agents. Ms. Beetal Computer & Financial Services Pvt. Ltd, Beetal House, 3rd Floor, 99, Madangir, BH_Local Shopping Centre, New Delhi-110062
9. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21 and 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically.

Note: It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and will allow shareholders to contribute towards a Greener Environment. Further, it will ensure instant and definite receipt of the all notices/documents by you.

Recognizing the spirit of the circular issued by MCA, we propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, and Auditors' Report etc. in electronic form, to the email address provided by you and made available to us by the Depositories.

Following the government directive, the full text of these reports will also be made available in an easily navigable format on the website of the Company, www.euroasiaexports.in. We will notify the date of the AGM and the availability of documents on the website in the prominent newspaper both English and vernacular. As before, physical copies of the Annual Report will be available at our registered office for inspection during office hours.

In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now, select the "Himalya International Limited" from the drop down menu and click on "SUBMIT"

(iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio . <ul style="list-style-type: none">Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.



HIMALYA INTERNATIONAL LIMITED



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <Himalya International> on which you choose to vote.
- (v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (x) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
 - Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs.arorachandan@gmail.com, with a copy marked to evoting@cdsl.co.in.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Monday, September 22, 2014 (10.00 a.m. IST)> and ends on <Wednesday 24, 2014 (6.00 p.m. IST)>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Friday, August 22nd, 2014>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Mr. Chandan Arora, Practicing Company Secretary (ACS 32676), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The results declared along with the Scrutinizer's Report shall be placed on the website of CDSL i.e. www.evoting.cdsl.com within two days of the passing of the resolutions at the 23rd AGM of the Company on September 30, 2014 and communicated to the BSE Limited, where the shares of the Company are listed. All Shareholders are requested to be a part of this green initiative of Government of India by registering their e-mail address for enabling the Company to send the communication including Annual Report to shareholders by e-mail.

BEETAL Financial & Computer Services Pvt Ltd.

BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi - 110062 Ph. 011-29961281-283 Fax 011-29961284
Email: beetalrta@gmail.com

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Sunil Kumar Khara is a Non – Executive Director of the Company. He joined the Board of Directors of the Company in October, 2004. Mr. Sunil Kumar Khara is the member of Audit Committee and Remuneration Committee of the Company.

Mr. Sunil Kumar Khara, Director of the Company whose period of office is liable to determine by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In term of section 149 and other applicable provision of the Companies Act, 2013, Mr. Sunil Kumar Khara being eligible and offering himself for the appointment as an Independent Director for the five consecutive years for the term up to September 30, 2019. A notice has been received in writing under section 160 of the companies act, 2013 from a member proposing Mr. Sunil Kumar Khara as a candidate for the office of Director of the Company.

Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Independent Director. According, the Board recommends the resolution in the relation to appointment of Mr. Sunil Kumar Khara as Independent Director, for the approval by the Shareholders of the Company.

Except Mr. Sunil Kumar Khara, being an appointee, none of the Director and Key Managerial Personnel of the Company, and their relatives is concerned or interested, financial or otherwise, in the resolution set out as Item No. 4. This Explanatory statement may also be regarded as disclosure under clause 49 of the Listing Agreement.

By order of the Board of Directors
Himalya International Limited

Man Mohan Malik
(Chairman & Managing Director)
DIN No. 00696077

Place: Paonta Sahib
Date: 30.07.2014



HIMALYA INTERNATIONAL LIMITED



DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present the Twenty Third Annual Report of the Company together with Audited Financial Statements and Auditor's Report for the Financial Year ended as on 31st March 2014. The Financial Highlights for the year under review are given below:

Particulars	2013-14	2012-13
Total Income from Operation	18999.01	16803.68
Profit from operation before other income, Finance cost, & exceptional items	1654.01	3339.06
Other Income	0.00	3806.30
Profit from ordinary activities before Finance cost, and exceptional items	1654.01	7145.36
Finance Cost	1605.14	1641.62
Profit from ordinary activities after Finance cost, but before exceptional items	48.87	5503.74
Exceptional Items (Provision for diminution in value of investment in joint venture)	1149.36	187.34
Profit/(Loss) from ordinary activities before tax	(1,100.49)	5316.40

Performance: During the year under review, the total income of your Company was Rs. 18999.01 Lacs as compared to Rs. 16803.68 Lacs in the previous year thereby registered a growth of 13%. The net Loss before tax of the company for the current financial year is of Rs. 1100.49 Lacs as compared to profit of Rs. 5316.40 Lacs in the previous year.

Reasons for loss:

1. Company is a partner in the joint venture, Himalya Simplot Private Limited, holding 50 per cent of its shareholding. The joint venture has ceased operations and is insolvent in view of its losses. As a matter of abundant prudence and following a conservative approach, the Management is of the opinion that a provision equal to the value of investment be made for diminution in the value of the investment. (Provision for diminution in value of investment in joint venture Rs. 1149.36 lacs).
2. Finished goods manufactured in the financial years ended 31 March 2012 and 2013, valued at Rs. 1576.66 lacs (2314.888 MT), were produced specifically for Himalya Simplot Private Limited, a joint venture of the Company with Simplot Inc. However, such stocks were not purchased by the joint venture. The management has sought expert opinion and determined that the shelf life of these products in JV packing, has expired. Since the stocks have no realisable value, the Company has written off the value of such stocks as on 31.03.2014. The expired stock, available in company's warehouse, but has not been taken in the books as on 31.03.2014, was physically destroyed in the months of June/July 2014.
3. Company has suffered huge losses due to zero production from its Appetizer line at both plants due to certain clauses in JV agreements and zero performance by JV under the Managing Partner SIMPLOT INDIA LLC.

Dividend : Due to loss during the year Board of Director feels appropriate not to recommend any dividend for the financial year 2013-14.

Business Operations Overview & Future Outlook : Company's business activities are broadly divided into Growing of mushrooms (agriculture Activity), Cheese, sweets and appetizer manufacturing and export

The companies Act, 2013 : The Ministry of Corporate Affairs has notified various sections of the Companies Act, 2013 in tranches in September 2013 and March 2014 with the majority of the sections as well as rules notified in March, 2014. The Companies Act, 1956 continues to be in force to the extent of the corresponding provisions of the Companies Act, 2013 which are yet to be notified. MCA vide its circular dated April 4, 2014 has clarified that the Financial Statements and documents annexed thereto, Auditor's Report and Board's Report in respect of the financial year that have commenced earlier than April 1, 2014 shall be governed by the provisions of the Companies Act, 1956 and in line with the same, the Company's Financial Statements, Auditor's Report and Board's Report and attachments thereto have been prepared in accordance with the provisions of Companies Act, 1956. With respect to the other provisions of the act, appropriate references have been made in this report to the extent these provisions have become applicable effective April 1, 2014

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

Directors : In accordance with the relevant provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sanjiv Kumar Kakkar (DIN 02434426) shall retire in the Annual General Meeting and being eligible, offers himself for the re-appointment.

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 31st March, 2014, 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;



HIMALYA INTERNATIONAL LIMITED



- 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 31st March, 2014 on a 'going concern' basis.

Particulars of Energy, Technology and Foreign exchange

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

The operations of the Company are not energy intensive. Company use agro waste to fire boilers.

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)
Earnings in foreign Exchange	362187
Expenditure in foreign exchange	304464

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 and Managing Director	102.00	BSC (Hons) LLB	40 years	62	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 u/s section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014,.

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. The Company is complying with the guidelines for listing of shares at National 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: 30.07.2014

(Man Mohan Malik)
Chairman & Managing Director
DIN No. 00696077



MANAGEMENT DISCUSSIONS AND ANALYSIS

Industry Structure and Developments

Company Business : The Company's primary business is manufacture of Growing of Mushroom (agriculture Activity), 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. 18999.01 Lacs as compared to Rs. 16803.68 Lacs in the previous year thereby registered a growth of 13%. The net Loss before tax of the company for the current financial year is of Rs. 1100.49 Lacs as compared to profit of Rs. 5316.40 Lacs in the previous year.

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3. Company has suffered huge losses due to zero production from its Appetizer line at both plants due to certain clauses in JV agreements and zero performance by JV under the Managing Partner SIMPLOT INDIA LLC.

Human Resources : During the year 2013-14 your company's Human Resources are as under

Category	As on 31.03.2014	As on 31.03.2013
Skilled employees	380	480
Non-Skilled Employees	860	1035
Total	1240	1515

Outlook : Company has struggled hard time since the formation of JV in Oct 2011 under which we merged all our resources created over a long period of including the Contract farming, Marketing & Listing on Retail chains and production from all Frozen Appetiser Lines exclusively for the JV. The JV managed by the US Partner Simplot went defunct and has inflicted huge losses directly & indirectly on the overall business of Himalya. The entire equity invested in the JV is wiped out. Besides, the stocks made on projections of the JV expired and have been destroyed and there are many other dues unpaid by Simplot USA.

Your Company has taken the following steps to get back on track and achieve the Pre-JV, high growth trajectory asap:

- 1) We have approached our Banks to restructure our debts and the consulting company Dun & Bradstreet has submitted the restructure proposal which is under finalisation by the Lenders.
- 2) We have planned to restart our own marketing setup for frozen Snacks & Appetisers in Food Service & Retail segment.
- 3) Promoters are in process to invest additional equity to strengthen the working capital.
- 4) We are taking steps for additional exports to new markets chiefly SAARC & Middle East.
- 5) We are taking all steps to legally recover losses due to unfair & monopolistic actions of the JV & Simplot India LLC.
- 6) We have also taken steps to recover losses from last year Fire in US warehouse.

Our eyes stay focussed on our Vision 2020 to be one of the best food processing companies in India. We firmly believe that inspite of huge setbacks in last three years, we shall stabilise soon and will be thriving back in the high growth tracks.

Internal Control System and Their Adequacy : Broadly the internal controls and systems are broken up into following areas:

1. Financial Systems and Reporting
2. Management Reporting
3. HR Systems and Reporting
4. Sales Systems and Reporting
5. Capital Asset Systems and Reporting
6. Operational Fulfillment Systems and Reporting
7. General Administrative Systems and Reporting
8. Knowledge Management Systems



HIMALYA INTERNATIONAL LIMITED



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 automotiv 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
4	Mrs. Anita Kakkar	Promoter- Executive Director
5	Sh. Sunil Khera	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, 2013 to March 31, 2014 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	7	Yes	-	3
Mrs. Sangita Malik	Promoter- Executive Director	7	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	6	No	-	3
Mr. Chander P. Chhabra	Non- Executive Independent Director	6	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.



HIMALYA INTERNATIONAL LIMITED



(D) Number of Board Meetings held and dates: During the financial year 2013-2014 the Board of Directors met 7 times. The dates of the meetings are 30.04.2013, 30.07.2013, 04.09.2013, 18.10.2013, 09.12.2013, 23.01.2014 & 30.03.2014.

(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 9th December, 2010 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.

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, Chander Prakash Chhabra and Sangita Malik

© **Meetings of Audit Committee** : During the year 4 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

(C) 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 S 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.

- © **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/ Nomination and Remuneration Committee (Non-Mandatory)

The Board of the Company has decided that the committee will also be known with the name Nomination and Remuneration Committee as required under Companies Act, 2013. The Committee recommends remunerations, promotions, increments and considers the appointment of Executives Directors as and when required:

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. Sanjeev Kakkar, Member
3. Mr. Sunil Khara, 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 30.03.2014.

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 or 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.



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Number of Shares held by Non-Executive Director 40,000/-

V Shareholders'/ Investors' Grievance Committee /Stakeholders Relationship Committee:

The Board has decided that Shareholders'/ Investors' Grievance Committee of the Company will also be known as Stakeholder Relationship Committee as required under the Companies Act, 2013. The Board had delegated the power to consider and resolve grievance of security holders of the company to Shareholders'/ Investors' Grievance Committee /Stakeholders Relationship committee

The Shareholders'/ Investors' Grievance Committee/ Stakeholders Relationship committee presently comprises of three Directors viz. Mr. Man Mohan Malik, Mr. Sunil Khara and Mr. Chander Prakash Chhabra

The Company received 5 (Five) complaint from investor during the financial year 2013-2014, which were promptly and satisfactorily resolved.

During the year there is 10 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 31st March 2014 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.

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
22 nd AGM	4:00 PM	30 th September 2013	Swagat, DDA Community Hall, Sector-7, Near Ramphal Chowk, Dwarka, New Delhi-110077
21 st AGM	4.00 PM	29 th September 2012	Sangam Farm, Road No. 2, Farm No. 34, Ghitorni, New Delhi -110030
20 th AGM	4.00 PM	30 th September 2011	Sunder Farm, Road No. 2, Farm No. 41, Ghitorni, New Delhi -110030

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.

(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



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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: 30th September, 2014 Time: 02.00 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 2015
-Un-audited results for the:	Quarter ended June 2014	30 th July 2014
-Un-audited results for the:	Quarter/half year ended September 2014	End October 2014
-Un-audited results for the:	Quarter ended December 2014	End January 2015
-Un-audited results for the:	Quarter ended March 2015	End April 2015
-Audited Results for the:	Year ending March 2015	June/August 2015

Date of Book Closure:

From 26th day of September 2014 to 30th day of September 2014 (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 2014-2015.

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. 2013-14 are stated herein below:

Month	Bombay Stock	
	Exchange (BSE)	
	High(Rs.)	Low(Rs.)
April 2013	16.50	13.21
May 2013	14.97	12.05
June 2013	12.88	9.15
July 2013	10.98	7.27
August 2013	8.89	6.13
September 2013	7.85	5.60
October 2013	9.45	6.50
November 2013	9.19	7.21
December 2013	11.88	8.52
January 2014	11.70	9.00
February 2014	10.63	9.25
March 2014	10.50	8.53

Distribution Schedule of shareholding as on 31.03.2014:

Share Holding of Nominal Value of Rs.	Number of Shareholders	% To Total	No. of Shares	Amount in Rs	% To Total
Up To 5000	12,145	74.86	25,31,773	2,53,17,730	4.8408
5001 to 10000	1,910	11.77	16,66,461	1,66,64,610	3.1863
10001 to 20000	920	5.67	14,83,114	1,48,31,140	2.8358
20001 To 30000	375	2.31	9,84,486	98,44,860	1.8824
30000 To 40000	153	0.94	5,52,488	55,24,880	1.0564
40001 To 50000	189	1.16	9,05,658	90,56,580	1.7317
50001 To 100000	248	1.54	18,94,284	1,89,42,840	3.6219
100001 To and Above	284	1.75	4,22,81,942	42,28,19,420	80.8447
Total	16,224	100.00	5,14,04,106	52,30,02,060	100.000



HIMALYA INTERNATIONAL LIMITED



Share Holding Pattern as on 31.03.2013

S.No.	Particular	Number of Shares	% To Total
1	A) Promoter and Promoter Group		
	Indian Promoters:		
	Individual/HUF	0	0
	Bodies Corporate	42,11,449	8.05
	Directors & their relatives	1,34,25,619	25.67
	Foreign Body Corporate	8,96,100	1.71
	Total Shareholding (A)	1,85,33,168	35.44
	(B) Public Shareholding		
1	Institutions:		
	Foreign Institutional Investor	24,00,000	4.59
2	Non-Institutions:		
	Bodies Corporate	46,54,489	8.90
	Individuals	1,92,34,571	36.78
	Clearing Members	20,114	0.04
	Employees	2,05,025	0.39
	Trusts	10,01,000	1.91
	NRI	8,37,423	1.60
	HUF	10,11,803	1.93
	OCB	44,02,613	8.42
	Sub Total (B)	3,37,67,038	64.56
	Total (A+B)	5,23,00,206	100

Registrar & Share Transfer Agents: M/s. Beetal Computer & Financial Services Pvt. Ltd

Beetal House, 3rd Floor, 99, Madangir, BH - Local Shopping Centre Near Dada Harsukhdas Mandir, New Delhi – 110 062

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 82.03 % 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: Convertible Warrants No. 75,96,680. This will increase equity by 14% by June 2015.

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

1. Village Shubh Khara, 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 Web-site: www.himalyainternational.com

Head Office : Vill- Shubh Khara, Paonta Sahib, Distt. Sirmour (H.P.)

Tele : 01704-223494, Fax : 01704-225178

Marketing office : 3rd Floor, 308 Tower B, Global Business Park, M.G. Road, Gurgaon-122002, India, +91-0124- 4498154

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: 30.07.2014

(Man Mohan Malik)
Chairman & Managing Director
DIN No. 00696077



HIMALYA INTERNATIONAL LIMITED



INDEPENDENT AUDITORS REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Himalya International Limited ("the Company") which comprise the balance sheet as at 31 March 2014, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The Company had finished goods valued at Rs. 2471.15 Lakhs lying at a warehouse in the United States of America. These goods were destroyed in a fire which broke out in the warehouse on September 2, 2013. These goods were not covered by any insurance taken out by the Company. The Company has preferred a claim against the warehouse, which has not been accepted. The management is of the opinion that it will realise the value of stocks from the warehouse owner, once the insurers of the warehouse owner, settle the claim of the latter. Currently, the cause of fire is under investigation. In view of the absence of an accepted and actionable claim, we are unable to express an opinion on the recoverability of the claim of Rs. 2471.15 Lakhs shown as "Considered Good" by the Company. [Also see Note 20 forming part of the financial statements under review]

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to:

(I) The Company had on 07.10.2011 set up a joint venture company with Simplot Inc of USA by the name of Himalya Simplot Private Limited (or "JV") and invested a sum of Rs. 11,49,36,000 in 22,79,966 equity shares of Rs. 10 each of this JV. As a measure of abundance prudence, the Company has created a provision for diminution of the entire value of this investment in the year under review and charged this to the statement of profit and loss as an Extra-ordinary Item on the grounds that the JV has ceased operations, it is insolvent and cannot be revived. In the absence of audited financial statements of the JV or other corroborative evidence, we are unable to confirm that there is a permanent diminution in the value of the investment and are unable to express an opinion on the provision made for such a permanent diminution of Rs. 11,49,36,000 and its impact on the profit for the year. [Also see Note 13 forming part of the financial statements under review]



(ii) The Company has written off of expired finished goods valued at Rs. 1576.66 Lakhs during the year under review. These finished goods had been produced in earlier years for the joint venture, Himalya Simplot Private Limited, but were lying with the Company as the joint venture had not placed orders and taken delivery. {Also see Note 16 forming part of the financial statements under review}

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the balance sheet, statement of profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

(Anujeet Singh)
Proprietor , FCA.
M No.73662

Place: Dehradun
Dated: 29.07.2014



HIMALYA INTERNATIONAL LIMITED



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 31.03.2014	(Rs '000')
			Maximum Amount Due
APJ Laboratories Ltd.	Advance against purchase	58030	58030
Doon Valley Foods Pvt Ltd.	Advance against purchase	47015	47015

- (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 terms and conditions.
- (iii) Not applicable in terms of observation at (iii) (a) supra.
- (b) Further, The company has taken loans from 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 31.03.2014	(Rs '000')
			Maximum Amount Due
Himalya Carbonates Pvt Ltd. S	hort term advance	1748	1748

- (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 terms and conditions.
- (iii) Not applicable in terms of observation at (iii) (a) supra.
- (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.
- 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.



HIMALYA INTERNATIONAL LIMITED



- (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, except TDS amounting to Rs. 62,22,000/- ,payable for the F.Yr 2013-14, which has not been deposited.
- (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 31/03/14 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	49,488	AY 2007-08	CIT (Appeal)
Income Tax	25,455	AY 2008-09	CIT (Appeal)
Income Tax	1,01,866	AY 2009-10	CIT (Appeal)
Income Tax	31,626	AY 2010-11	CIT (Appeal)
Income Tax	34,564	AY 2011-12	CIT (Appeal)
Excise Duty	378	-	Tribunal

- (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. except overdue interest of Rs 48 Lakhs payable to Exim Bank as on 31.03.2014, which was paid on 07.05.2014.
- (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 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:

Name of the allottee	Number of shares	Amount received
Promoter Group (Himalya International Inc)	896100	9857100

- (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
Place: Dehradun
Dated: 29.07.2014



HIMALYA INTERNATIONAL LIMITED



Balance Sheet as at March 31, 2014
(All amounts in Rupees '000 unless otherwise stated)

	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	3	523,002	514,041
Share application money pending allotment	4	20,891	-
Reserves and surplus	5	<u>1,557,711</u>	<u>1,686,522</u>
		<u>2,101,604</u>	<u>2,200,563</u>
Non-current liabilities			
Long-term borrowings	6	599,402	592,091
Deferred tax liabilities		61,950	42,292
Other Long term liabilities	7	175	385
Long-term provisions	8	<u>44.16</u>	<u>3,282</u>
		<u>661,583</u>	<u>638,050</u>
Current liabilities			
Short-term borrowings	9	684,406	573,760
Trade payables	10	32,948	27,194
Other current liabilities	10	189,393	105,779
Short-term provisions	11	<u>28,752</u>	<u>29,276</u>
		<u>935,499</u>	<u>736,009</u>
TOTAL		<u>3,703,046</u>	<u>3,473,123</u>
ASSETS			
Non-Current assets			
Fixed assets			
Tangible assets	12		
Tangible assets		2,000,666	1,685,440
Capital work-in-progress		386,540	543,639
Non-current investments	13	-	14,936
Long-term loans and advances	14	47,281	39,831
Other non-current assets	15	<u>23,281</u>	<u>23,281</u>
		<u>2,457,468</u>	<u>2,407,127</u>
Current assets			
Inventories	16	634,296	628,481
Trade receivables	17	204,324	340,809
Club and cash equivalents	18	14,011	14,074
Short-term loans and advances	19	113,971	154,704
Other current assets	20	<u>278,676</u>	<u>27,927</u>
		<u>1,269,278</u>	<u>1,166,995</u>
TOTAL		<u>3,703,046</u>	<u>3,473,123</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 Anjeet Dandona & Co.
Firm Registration No. 006118C
Chartered Accountants

For and on behalf of the Board

(Anjeet Singh)
Proprietor FCA
Membership No. 73662

Man Mohan Malik
Chairman & Managing
Director
DIN: 00696077

Sangeeta Malik
Director
DIN: 02428506

Place: Dehradun
Dated: 29.07.2014

Ajay Kaushik
DGM Finance

Anjali Thapar
Company Secretary



HIMALYA INTERNATIONAL LIMITED



Himalya International Limited
Statement of Profit and Loss Account for the year ended March 31, 2014
(All amounts in 000 Rupees unless otherwise stated)

	Note No	For the year ended March 31, 2014	For the year ended March 31, 2013
Continuing Operations			
Revenue from operations	21	1,891,272	1,666,794
Other Income	22	8,629	394,204
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	45,695	27,460
Total Revenue		1,945,596	2,088,458
Expenses:			
Manufacturing and other expenses	24	1,328,948	936,827
Employee benefits expense	25	66,762	63,717
Other expenses	26	296,321	288,884
Total Expenses		1,689,031	1,286,098
Earning before finance costs, depreciation and amortisation, and taxes		256,565	802,360
Finance costs	27	160,514	164,162
Depreciation and amortisation expense	11	91,164	87,824
Profit Before extra ordinary items & Tax		4,887	550,374
Extra Ordinary Items:			
Provision for diminution in value of investment in joint venture	12	114,936	-
Loss before Tax		(110,049)	550,374
Tax expense			
- Minimum Alternate Tax		-	1,735
- Deferred tax		19,658	16,999
Loss for the year		(129,707)	531,640
Earnings per equity share (nominal value of share Rs 10 - (Previous year Rs 10 -))			
- Basic		(2.48)	10.34
- Diluted		(2.17)	10.34

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 PCA
Membership No. 73662

Man Mohan Malik
Chairman & Managing
Director
DIN:00696077

Sangita Malik
Director
DIN: 02428506

Place: Dehradun
Dated: 29.07.2014

Ajay Kumbhik
DGM Finance

Anjali Tomar
Company Secretary



HIMALYA INTERNATIONAL LIMITED



Himalya International Limited

CASH FLOW STATEMENT FOR YEAR ENDED 31 ST March, 2014		AMOUNT
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENTS		(Rs. in '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit As per P&L Account		-129707
Adjustment for:		
Depreciation	91164	
Add/(Less) Refund/(Payment) of Taxes	0	91164
A. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		-38543
Adjustment for :		
(Increase)/Decrease in Investments	114936	
(Increase)/Decrease in Loan and advances	(7450)	
Increase/(Decrease) in Borrowings	27393	
(Increase)/Decrease in Current Assets	(79346)	
Increase/(Decrease) in Current Liabilities	201490	257023
NET CASH FROM OPERATIVE ACTIVITIES		218480
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase (Sale) of / Advance for Fixed Assets		249291
NET CASH PAID FROM INVESTING ACTIVITIES		249291
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of share capital	30748	
NET CASH RECEIVED FOR FINANCING ACTIVITIES		30748
NET DECREASE IN CASH AND CASH EQUIVALENTS		(63)
CASH AND CASH EQUIVALENT (OPENING)		14074
CASH AND CASH EQUIVALENT (CLOSING)		14011

For and on behalf of Board

Place: Dehradun
Dated: 29.07.2014

Man 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, 2014 and found the same are drawn in accordance therewith and also with the requirements of Clause 32 of the listing Agreements with the Stock Exchange.

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

(ANUJREET SINGH)
Proprietor FCA
Membership No.73662

Place: Dehradun
Dated: 29.07.2014



HIMALYA INTERNATIONAL LIMITED



=+'Profit & Loss Account'!A2

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 (Agriculture activity), 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		
- Adm in 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 Fixings	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.

(g) Investments : Investments that are readily realisable and intended to be held for not more than a year are classified as "current investments". All other investments are classified as "long-term investments". Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments

(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



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

Note 3 Share Capital

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised		
7,50,00,000 (Previous year 7,50,00,000) equity shares of Rs. 10/- each	750,000	750,000
Issued		
5,23,00,206 (Previous year 5,14,04,106) equity shares of Rs. 10/- each	523,002	514,041
Subscribed & Paid up		
5,14,04,106 (Previous year 5,14,04,106) equity shares of Rs. 10/- each	523,002	514,041
Total	523,002	514,041

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

Particulars	As at March 31, 2014		March 31, 2013	
	Number ('000)	Rs. (In '000)	Number ('000)	Rs. (In '000)
Equity shares				
At the beginning of the year	51,404	514,040	51,404	514,041
Issued during the year	896	8,960	0	0
Outstanding at the end of the year	52,300	523,000	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, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
First Family Holding	3,302,613	6.31	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 28.5

Note 4 Share application money pending allotment

Particulars	As at March 31, 2014	As at March 31, 2013
Application Money Share warrants (75,96,680 warrants @ Rs. 2.75 per warrants) Previous year Rs. Nil)	20,891	0
Total	20,891	-

As at 31 March, 2014 75,96,680 shares (as at 31 March, 2013 Nil shares) of Rs.10/- each were reserved for issuance towards outstanding share warrants. (Refer Note 28.6)



HIMALYA INTERNATIONAL LIMITED



Note 5 Reserve and surplus

Particulars	As at March 31, 2014	As at March 31, 2013
Capital Fund	104	104
Capital Reserve	29,377	29,377
Securities premium reserve		
Balance as per last financial statements	331,315	331,315
Add: premium received on issue of equity shares	896	-
Closing Balance	332,211	331,315
Accumulated Profits in the statement of profit and loss		
Balance as per last financial statements	1,325,876	794,236
Profit for the year	(129,707)	531,640
Accumulated Profits in the statement of profit and loss	1,196,169	1,325,876
Total reserves and surplus	1,527,711	1,606,533

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

Note 6 Long term borrowings

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Secured				
Term loans from banks	596,824	588,628	150,085	58,624
from others	1,578	1,463	885	794
Total	598,402	590,091	150,970	59,418

Notes: a. Term loans from banks:-

- (a) 'Term Loan from SBI Overseas Branch is secured by way of pari passu charge on equitable mortgage of freehold land and 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 freehold land and building, and Plant & Machinery at Village Sultanpur, Vадnagar, Distt. Mehsana, Gujarat alongwith personal guarantees of the Directors and Promoters. in advance
- (b) 'Term Loan from Corporation Bank, Exim Bank and Bank of Baroda is secured by way of first charge on freehold land and building, and plant and machinery at Village Sultanpur, Vадnagar, Distt. Mehsana, Gujarat and second pari-pasu charge on freehold 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.
- (c) All vehicle loans are secured against the vehicle and personal guarantee of the CMD Mr. Man Mohan Malik.
- (d) 'DG Set loan is secured against the DG Set and personal guarantee of the CMD Mr. Man Mohan Malik.
- (e) 'The Company has generally not defaulted in repayment of either principal or interest during the year, only interest of EXIM bank amounting to Rs 48 lakhs was overdue on 31.03.2014, which was paid on 07.05.2014

Particulars	As at March 31, 2014	As at March 31, 2013	Date of Interest	Date of Maturity	Repayment	Instalment due in 2014-15	Instalment due in 2013-14
State Bank of India (Rupay Loan)	-	6,351	18.08	30.09.2013	Quarterly	-	6351
State Bank of India TL -2(Rupay Loan)	71,516	42,233	12.00	31.03.2010	Quarterly	18,752	4600
Co-operative Bank 1 (PCTL)	187,000	211,000	0.9+1.0per	31.03.2010	Monthly	35,200	36000
Co-operative Bank 2 (Rupay Loan)	2,357	2,217	10.20	31.03.2010	Monthly	-	0
Export Import Bank of India (PCTL)	245,953	250,007	0.20+1.0per	28.03.2020	Quarterly	39,529	5000
Bank of Baroda (Rupay Loan)	116,340	120,660	12.00	26.03.2010	Quarterly	31,200	0
Bank of Baroda (Rupay Loan)	116,200	-	10.00	28.08.2010	Monthly	21,564	0
ICICI Bank Limited (Rupay Loan)	340	1,030	8.40	16.08.2014	Monthly	340	601
HDFC Bank (Rupay Loan)	1,011	2,033	6.70	08.01.2010	Monthly	1,116	1021
HDFC Bank (Rupay Loan)	-	731	11.00	06.01.2014	Monthly	-	731
HDFC Bank (Rupay Loan)	-	000	11.70	20.03.2014	Monthly	-	000
HDFC Bank (Rupay Loan)	-	1,047	11.40	20.03.2014	Monthly	-	1047
HDFC Bank (Rupay loan - secured)	047	1,479	10.70	20.10.2010	Monthly	670	632
HDFC Bank (Rupay Loan)	1,925	2,450	10.70	01.03.2017	Monthly	592	533
HDFC Bank (Rupay loan - secured)	450	654	10.70	08.03.2010	Monthly	216	196
HDFC Bank (Rupay loan - secured)	2,000	2,952	10.70	01.02.2010	Monthly	1,400	244
Total	746,829	647,212				120,852	116,624



HIMALYA INTERNATIONAL LIMITED



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, 2014	As at March 31, 2013	Date of Interest	Date of Maturity	Repayment	Installment due in 2014-15	Installment due in 2013-14
	Rupees Rs'000						
Tata Capital Limited	187	283	11.00	15.08.2016	Monthly	74	88
BMW Financial Service	3,286	3,884	10.82	01.08.2017	Monthly	811	728
Total	3,473	4,167				885	816

Himalya International Limited

Notes to Accounts

(All amounts in Rs '000 unless otherwise stated)

Note 7 Other long term liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Others		
Advances and deposits from customers (Non Current)	175	385
Total	175	385

Note 8 Long term provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits		
Provision for gratuity	4,416	3,782
Total	4,416	3,782

Note 9 Short term borrowings

Particulars	As at January 31, 2014	As at March 31, 2013
Secured		
Loans repayable on demand		
Cash Credit / Export Credit facilities	682,658	573,760
Total	682,658	573,760
Un secured		
Short-term loans and advances:		
- From related parties	1,748	-
Total	684,406	573,760

Notes :

Secured : (a) Fund base limits of EPC and cash credit from State Bank of India 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.

(b) 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.



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Note 10 Other Current Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Trade payables	32,948	27,194
Total	32,948	27,194
Other Liabilities		
Current maturities of long-term debt	150,920	59,418
Creditors for purchase of fixed assets	8,122	25,418
Other payables		
Expense payable	18,432	16,069
TDS payable (tax deducted at source)	6,222	800
Employees State Insurance payable	103	528
Employees Provident Fund payable	794	1,546
Interest Payable (Exim Bank)	4,800	-
Total	189,393	103,779
Total	222,341	130,973

Note 11 Short term provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits		
Provision for leave encashment	1,329	1,853
Other		
Provision for tax	27,423	27,423
Total	28,752	29,276



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

Note 15 Fixed assets- Tangible assets

PARTICULARS	2019-20			2018-19			2017-18		
	AS ON 31.03.20	ADDED DURING THE PERIOD	DEPRECIATION DURING THE PERIOD	AS ON 31.03.19	ADDED DURING THE PERIOD	DEPRECIATION DURING THE PERIOD	AS ON 31.03.18	ADDED DURING THE PERIOD	DEPRECIATION DURING THE PERIOD
Land	151,200	-	-	151,200	-	-	151,200	-	-
Building	481,668	277,502	-	715,978	71,118	15,684	617,256	88,726	88,726
Plant & Machinery	1,004,528	128,888	-	1,533,416	285,800	67,818	1,779,895	313,721	313,721
Intangible and intangibles	13,308	-	-	13,308	5,286	798	9,286	4,006	4,006
Vehicle	25,548	-	-	25,548	18,444	4,884	38,181	21,349	21,349
TOTAL	1,675,252	405,490	-	2,484,592	375,792	91,564	3,499,631	497,606	497,606
Less: Accum. Depn.	1,028,687	1,168,820	693,127	2,891,487	681,878	87,824	3,654,689	701,181	701,181
Carrying Amount	646,565	236,670	-	593,105	792,914	3,408	844,942	796,425	796,425



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

Note 13 Non-current investment

Particulars	As at March 31, 2014	As at March 31, 2013
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	114,936
Less: Provision for diminution in value of Investments	(114,936)	-
Total	-	114,936

Notes (1) Aggregate amount of Unquoted Investments: Cost Rs 0 (As at 31.03.2013 Rs 11,49,36,000)
(2) Even though the Company is a partner in the joint venture, Himalya Simplot Private Limited, holding 50 per cent of its shareholding and has director(s) on its board, it has not received any audited financial statements for the current as well as past years. According to the information available with the Company, the joint venture has ceased operations and is insolvent in view of its losses. As a matter of abundant prudence and following a conservative approach, the Management is of the opinion that a provision equal to the value of investment be made for diminution in the value of the investment.

Note 14 Long Term loans and advances

Particulars	As at March 31, 2014	As at March 31, 2013
Capital advances		
Unsecured, considered good	-	-
Security deposits		
Unsecured, considered good		
Deposits to others	4,482	8,482
	4,482	8,482
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	35,882	24,432
	35,882	24,432
Total	47,281	39,831

Note 15 Other Non Current Assets

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good unless stated otherwise		
Mat Credit entitlements	17,159	17,159
Advance to corporate	6,122	6,122
Total	23,281	23,281



HIMALYA INTERNATIONAL LIMITED



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

Note 16 Inventories

Particulars	As at March	As at March
	31.2014	31.2013
Inventories (at lower of cost and net realisable value)		
Raw Material	44,360	83,100
Goods in Process	169,117	130,819
Finished Goods	387,294	372,779
Goods in transit	11,319	18,437
Consumables	22,206	23,346
Total	634,296	628,481

Notes Finished goods manufactured in the financial years ended 31 March 2012 and 2013, valued at Rs. 1576.66 lacs (2314.888 MT), were produced specifically for Himalya Simplot Private Limited, a joint venture of the Company with Simplot Inc. However, such stocks were not purchased by the joint venture. The management has sought expert opinion and determined that the shelf life of these products in JV packing, has expired. Since the stocks have no realisable value, the Company has written off the value of such stocks during the current year.

Note 17 Trade Receivables

Particulars	Non-Current		Current	
	As at March	As at March	As at March	As at March
	31.2014	31.2013	31.2014	31.2013
Outstanding for a period exceeding six months from the date they are due for payments				
Unsecured, considered good	8,649	80,995	-	3,732
	<u>8,649</u>	<u>80,995</u>	<u>-</u>	<u>3,732</u>
Other debts				
Unsecured, considered good	-	-	195,675	256,082
	<u>-</u>	<u>-</u>	<u>195,675</u>	<u>256,082</u>
Total	8,649	80,995	195,675	259,814
Trade receivables include:				
	Non-Current		Current	
	As at March	As at March	As at March	As at March
	31.2014	31.2013	31.2014	31.2013
Due from private limited companies in which one or more directors of the Company are directors:				
- Himalya Simplot Pvt Ltd.	1,235	-	-	1,235
	<u>1,235</u>	<u>-</u>	<u>-</u>	<u>1,235</u>

Note 18 Cash and Cash Equivalents

Particulars	Non-Current		Current	
	As at March	As at March	As at March	As at March
	31.2014	31.2013	31.2014	31.2013
Cash and cash equivalents				
<i>Balances with banks</i>				
On current accounts with scheduled banks	-	-	2,157	4,068
On current accounts with Non-scheduled banks	-	-	7	7
On FFC accounts	-	-	21	21
	<u>-</u>	<u>-</u>	<u>2,185</u>	<u>4,096</u>
Cash on hand	-	-	240	118
Other bank balances				
Deposits with original maturity for more than 12 months (These Non-current FDR's are under lien against LC's & BG issued by the Banks)	4,198	8,877	7,388	983
	<u>4,198</u>	<u>8,877</u>	<u>9,813</u>	<u>5,197</u>



HIMALYA INTERNATIONAL LIMITED



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

Note 19 Short term loans and advances

Particulars	As at March 31, 2014	As at March 31, 2013
Loans and advances to related parties		
Unsecured, considered good		
Loan to a related party	105,045	143,789
	105,045	143,789
Others		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	4,289	4,540
TDS receivable	67	1,388
VAT Receivables	-	237
Staff advance	4,570	4,750
	8,926	10,915
Total	113,971	154,704
Dues from private limited companies in which one or more directors of the Company are directors:		
APJ Laboratories Ltd	58,030	61,758
Doon Valley Foods Pvt Ltd.	47,015	81,716
Himalya Carbonates Pvt Ltd	-	315
	105,045	143,789

Note 20 Other Current Assets

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good:		
Subsidy and incentive receivable	31,561	27,927
Claim receivable [see additional information below]	247,115	0
Total	278,676	27,927

Notes Stocks valued at Rs. 2471.15 lacs were destroyed in a fire in a warehouse in United States of America on September 2nd 2013. A claim has been filed against the warehouse. Based on the information available with the Company, the insurance claim preferred by the warehouse is pending settlement as the incidence of fire is under investigation by Federal US agencies.

**Himalya International Limited****Notes to Accounts**

(All amounts in Rs '000 unless otherwise stated)

Note 21 Revenue from Operations

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of goods		
Sales- Export	362,187	244,854
Sales- Fresh Mushroom (Agriculture)	1,079,520	1,066,410
Sales- Domestic	449,565	355,530
Total	1,891,272	1,666,794

Note 22 Other Income

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Minimum Guarantee against processing charges	1,942	982
Interest income	621	1,079
Export Incentive	4,707	10,242
Exchange profit	1,359	14,099
Profit on sale of Plant & Machinery	-	341,532
Rental Income- Warehouse	-	23,920
Misc. Income	-	2,350
Total	8,629	394,204

Note 23 Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening Stock		
Goods in Process	130,819	130,403
Finished Goods	372,779	364,172
Finished Goods-in Transit	18,437	-
	522,035	494,575
Closing Stock		
Goods in Process	169,117	130,819
Finished Goods	387,294	372,779
Finished Goods-in Transit	11,319	18,437
	567,730	522,035
Total	45,695	27,460



Himalya International Limited
Notes to Accounts
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Note 24 Manufacturing & Other Exp

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw Material & Consumables Consumed	1,031,390	735,305
Labour & Labour welfare	61,521	58,426
Power & Fuel	72,215	71,452
Freight Inward	4,955	4,758
Packing Expenses	140,258	52,541
Others	15,609	14,345
Manufacturing & Other Exp	1,325,948	936,827
Raw Material & Consumables Consumed		
Opening Stock	106,446	167,966
Purchases	991,510	673,785
Less : Closing Stock	66,566	106,446
Cost of Goods Consumed	1,031,390	735,305

Note 25 Employee Benefits

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries, wages and bonus	59,244	56,800
Contribution to		
Provident fund	2,414	2,816
Employees' State Insurance Fund	839	915
Gratuity	249	346
Staff welfare	4,016	2,840
Total	66,762	63,717

**Himalya International Limited****Notes to Accounts****(All amounts in Rs '000 unless otherwise stated)****Note 26 Other Expenses**

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Power and fuel	1,680	945
Rent:		
- Offices and Godowns	8,520	12,091
Rates and taxes	4,955	4,862
Insurance	3,017	2,965
Repairs and maintenance:		
- Plant and machinery	9,875	7,520
- Building	3,521	1,852
- Others	3,859	577
Advertisement and sales promotion	7,278	13,224
Postage and courier	1,121	814
Travelling and conveyance	17,585	16,012
Printing and stationery	3,214	3,045
Communication	2,255	2,024
Legal and professional	15,102	14,768
Payment to Auditors (refer note 28.2)	652	618
Selling Expenses	91,453	90,400
Freight Outward	70,526	55,601
Miscellaneous expenses	51,708	58,236
Total	296,321	285,554

Note 27 Finance Cost

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest expense		
on fixed loans	152,101	154,788
on other loans	1,557	1,244
Other borrowing costs	6,856	8,130
Total	160,514	164,162



HIMALYA INTERNATIONAL LIMITED



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

Note 28

	2014	2013
28.1 Directors' Remuneration		
(included under Employee Benefits, Note 24)		
Salaries to Managing Director	10,200	10,200
Salaries to Whole Time Director	1,620	720
Contribution to Provident fund	20	20
	11,840	10,940

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.

28.2 Auditor's Remuneration		
(included under head Other Expenses, Note 26)		
Professional Fee		
- Statutory audit fees	600	600
- Tax audit fees	100	100
Reimbursement of expenses	52	18
	652	618

28.3 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 Private Ltd.	Doon Valley Foods Private Ltd.
			APJ Laboratories Ltd	Himalya International INC
			Himalya Simplot Private Ltd.	
b Nature of transaction			2014	2013
(i) Managerial Remuneration				
Mr. M.M. Malik			10,200	10,200
Mrs. Sangita Malik			1,640	740
			2014	2013
			Transaction Value	Closing Balance
(ii) Loans & Advances				
APJ Laboratories Ltd	27,467	58,030	26,293	61,768
Himalya Carbonates Private Ltd.	315	0	315	315
Doon Valley Foods Private Ltd.	17,866	47,015	107,529	81,716
(iii) Loans from Associates				
Himalya Carbonates Private Ltd.	1,748	1,748	0	0
(iv) Advance from Customer				
Himalya Simplot Private Ltd.	0	0	20,694	0
(v) Sundry Debtors				
Himalya Simplot Private Ltd.	0	1,236	122,022	1,236
			2014	2013
(vi) Purchases				
APJ Laboratories Ltd			29,763	1,620
Doon Valley Foods Private Ltd.			47,002	9,421



HIMALYA INTERNATIONAL LIMITED



28.4 Contingent Liabilities not provided for

Guarantees and Counter guarantees given by the Company	9,720	3,810
Letter of credit	13,908	6,619
Income Tax demands In respect of assessment years 2007-08 to 2011-12 against which the company has gone in appeal. Based on judicial pronouncements, the advice received from the Company's consultants and that for assessment year 2005-06 the Income Tax Appellate Tribunal has given an order In favour of the Company on same issue, the management is confident that their appeals are likely to be upheld by the appellate authorities.		
(i) Financial year ended 31 March 2006	0	5,493
(ii) Financial year ended 31 March 2007	49,488	49,488
(iii) Financial year ended 31 March 2008	25,465	89,802
(iv) Financial year ended 31 March 2009	101,866	97,982
(v) Financial year ended 31 March 2010	31,626	31,626
(vi) Financial year ended 31 March 2011	34,564	0
Total IT contingent liability	242,999	274,171
Excise duty on Domestic Tariff Areas sales pending in Delhi Tribunal	378	943
	267,005	285,543

28.5 Employee Stock Option Plans

The Company has, during the current year, 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	2014		2013	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	528,000	10	528,000	0
Granted during the year	0	0	0	10
Cancelled During the year	0	0	0	0
Exercised During the year	0	0	0	10
Expired During the year	0	0	0	0
Outstanding at the end of the year	528,000	10	528,000	10

28.6 Monies received against share warrants

The Board of directors of the company at their meeting held on 24.01.2014 and as approved at its Extra ordinary Meeting held on 08.01.2014 have resolved to create, offer, issue and allot up to 84,92,780 warrants convertible into 84,92,780 equity shares of Rs. 10/- each on preferential basis pursuant to section 81(A) of the companies act, 1956, at a conversion price of 10/- per equity share of the Company at a premium of Rs. 1/- per share, arrived at in accordance with the SEBI guide line in this regard and subsequently these warrants were allotted on 24.01.2014 to the promoters and the 25% application money amounting to Rs. 2,33,65,145 was received from them. The warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 23.06.2015. In the event the warrants are not converted into shares within the said period the company is eligible to forfeit the amount received towards the warrants. Out of 84,92,780 warrants allotted, full money was received against 8,96,100 warrants and subsequently shares were issued. The company has received Rs. 2,08,90,870/- against the balance 75,96,680 warrants.

28.7 Disclosures as required under Accounting Standard 16 (revised) is given below:

A general description of the defined benefit plans is given below:-

a Earned Leave Benefit (EL)

Accrual: 1 leave per 20 working days

Accumulated 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



HIMALYA INTERNATIONAL LIMITED



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	2014	2013
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 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 offered by 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 in		Contribution for key management personnel	
	2014	2013		
Employer's contribution to provident fund	2,414	2,816	20	20
Employee State Insurance	839	915	0	0

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

Particulars	Gratuity (Unfunded)	Post Retirement Medical Benefits	Other Retirement Benefits
Present value of unfunded obligations (Previous year)	4,416 (3,782)	0 0	0 0

28.8 Derivative Instruments and hedged Foreign Currency Exposures

Particulars of Derivatives	2014		2013	
	Rs. (in '000)	US\$ (in '000)	Rs. (in '000)	US\$ (in '000)
Forward contracts outstanding as at 31st March	394,445	6,800	312,852	5,400
Purpose	Hedge of expected future sales			
Conversion rate applied 1 USD = Rs. 58.00 (Previous year 1 USD = Rs. 57.94)				

28.9 Particulars of Unhedged foreign Currency Exposures as at the Balance Sheet date

Particulars	2014		2013	
	Rs. (in '000)	US\$ (in '000)	Rs. (in '000)	US\$ (in '000)
Secured loan (Exim Bank)	245,953	5,361	250,807	5,470
Secured loan (Corporation Bank)	187,000	4,044	211,000	4,563



HIMALYA INTERNATIONAL LIMITED



28.10 Deferred Payment Liabilities

Particulars	2014	2013
Deferred Current Assets / (Liabilities) as per Balance Sheet	(42,293)	(25,294)
Deferred Tax Liability		
Depreciation as per Companies Act, 1966	91,164	87,824
Depreciation as per Income Tax Act, 1961	162,651	142,291
Difference	61,487	64,487
Deferred Tax Liability	19,949	17,872
Deferred Tax Assets on 43B Items		
Provident Fund (Employer's Share) not deposited as at 31.03.2014	794	1,546
Employee State Insurance (Employer's Share) not deposited as at 31.03.2014	103	628
Total	897	2,074
Deferred Tax Assets	291	873
	(1,658)	(1,699)
Net Deferred Tax Liability	(61,951)	(42,293)

28.11 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 with 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 31.03.2014. Amount outstanding to these enterprises to the year ended 31.03.2014 is Rs. Nil (Previous Year Rs. Nil).

28.12 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 2014. The unamortized balance in this account is Rs. Nil (Previous year Rs. Nil).

28.13 Segment Disclosure

■ **Primary Segment Disclosure**

Particulars	Fresh Mushroom		Processed food		Trading		Total	
	Agriculture Activity							
	2014	2013	2014	2013	2014	2013	2014	2013
Revenue								
Turnover	1079520	1052403	810875	607280	877	7105	1891272	1666794
Other Income			8,629	52672			8629	52672
Result	128758	200168	-124501	7963	-370	711	4887	208842
Unallocated Corporate Expenses							0	0
Operating Profit							4887	208842
Provision for diminution in value of Investment in joint venture							(114898)	341532
Income Taxes/Deferred Tax							19658	18734
Net Loss							(128707)	581640
Other Information								
Segment Assets	1137786	1164214	1715511	1744181	0	0	2853297	2908425
Unallocated Corporate Assets							840748	664867
Total assets							3703045	3573122
Segment Liabilities	273068	1402165	1156454	2103247	0	0	1429517	3505412
Unallocated Corporate Liabilities							70072	67710
Total Liabilities							1499589	3573122
Depreciation	0	26458	91164	61366	0	0	91164	87824
Non-cash Expenses other than Depreciation and amortisation								



HIMALYA INTERNATIONAL LIMITED



b Information About the Secondary Segments

Revenue and sundry debtors as per geographical markets

Particulars	Revenue		Sundry Debtors	
	2014	2013	2014	2013
India	1,528,208	1,421,940	43,052	63,141
Outside India	362,187	244,854	161,272	277,714
Total	1,890,395	1,666,794	204,324	340,855

The Company has common fixed assets for producing goods for domestic and overseas markets. Hence, separate figures for fixed assets and additions to fixed assets cannot be furnished.

28.14 Value of Imports calculated on CIF basis

	2014	2013
Raw materials	3,482	8,197
Components and spare parts	0	394
Capital goods	0	63,727

28.15 Imported and Indigenous raw materials, components and spare parts consumed

	Percentage of total consumption		Value in ₹ '000	
	2014	2013	2014	2013
a Raw Materials				
Imported	0.3%	1.1%	3,482	8,197
Indigenously obtained	99.7%	98.9%	1,031,390	727,108
	100.0%	100.0%	1,034,872	735,305
b Spare Parts / Components				
Imported	0.0%	0.0%	0	394
Indigenously obtained	100.0%	100.0%	9,875	7,128
	100.0%	100.0%	9,875	7,520

c Expenditure in foreign currency (Accrual basis)

	2014	2013
Professional fees	287	4,920
Purchase of Raw Materials	3,482	8,197
Purchase of Fixed Assets	0	63,727
General, Administrative and Selling expenses	72,437	19,588
Advance given for purchases of machinery	228,258	108,686

d Earnings in foreign currency (Accrual basis)

	2014	2013
Exports at F.O.B. value	362,187	244,854

28.16 Earning per share (E.P.S.)

Basic E.P.S.	-2.48	10.34
Diluted E.P.S.	-2.17	10.34
Calculation of Basic E.P.S.		
a) Net Profit for the year attributable to Equity Shareholders	-129,707	631,640
b) Weighted Average Number of Equity Shares	62,300,206	61,404,106
c) Basic Earnings per Share (a/b)	-2.48	10.34
d) Nominal Value per Share	Rs. 10/-	Rs. 10/-
Calculation of Diluted shares		
Weighted Average number of equity shares	62,300,206	61,404,106
Number of shares in respect of shares warrants	7,596,886	0
	69,897,092	61,404,106



25.17 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 payable are charged as 'Rent, Rates and Taxes' in Note 25.

c The year wise breakup of future lease payments in respect of leased premises are as under:

Particulars	2014	2013
Minimum lease payments:		
Not later than 1 year	0	0
Later than 1 year but not later than 5 years	3,662	3,744
Later than 5 years	0	0

25.18 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.	60	114,936

See Note 13 for further information regarding the Company's investment in Himalya Simplot Private Limited.

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

25.20 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: NIL.

25.21 The Company has calculated Minimum Alternative Tax on the net profit of the company after excluding the net profit on the product segment Fresh Mushroom's as it considers the income from this segment as agricultural income and exempt under the Indian Income-tax Act, 1961 and provisions made thereunder.

25.22 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 28

As per our report of even date
For Anujee Dandia & 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

Sangeeta Malik
Director
DIN: 02428506

Place Dehbanda
Dated: 29.07.2014

Ajny Koushik
DGM Finance

Anjali Taneer
Company Secretary



HIMALYA INTERNATIONAL LIMITED



h Expenditure in foreign currency (Accrual basis)	2013	2012
Professional fees	4,920	7,628
Purchase of Raw Materials	8,197	26,260
Purchase of Fixed assets	63,727	6,441
General, Administrative and Selling expenses	19,688	14,607
I Earnings in foreign currency (Accrual basis)	2013	2012
Exports at F.O.B. Value	244,864	182,583
27.16 Earning per share (E.P.S.)	2013	2012
Basic E.P.S.	10.34	3.43
Diluted E.P.S.	10.34	3.39
Calculation of Basic E.P.S.		
a) Net Profit for the year attributable To Equity Shareholders	631640	173536
b) Weighted Average Number of Equity Shares	61404106	60591987
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	61404106	61404106
Number of shares in respect of shares warrants and FCD	0	0
	61404106	61404106

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 payable 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:

Particulars	2013	2012
Minimum lease payments:		
Not later than 1 year	3744	3607
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.



Form No. MGT-11

Proxy form

{Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the companies (Management and Administration) Rules, 2014}

CIN :

Name of the company : Himalya International Ltd.

Registered office : E-555, 2nd floor, Palam Ext.. Sec-7, Dwarka, New Delhi-75

Name of the member (s) :

Registered address :

E-mail ID :

Folio No/Client ID:

DP ID :

I/We, being the member(s) ofshare of the above named company, hereby appoint

1. Name :

Address :

E-mail ID :

Signature, or failing him

2. Name :

Address :

E-mail ID :

Signature, or failing him

3. Name :

Address :

E-mail ID :

Signature,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the annual general meeting /
Extraordinary general meeting of the company, to be held on the dayata.m. / p.m. at
(place) and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, Profit and Loss Account.
2. To appoint a Director in place of Shri Sanjiv Kumar Kakkar (DIN: 02434426)
3. Appointment of Statuary Auditor.
4. Appointment of Mr. Sunil Kumar Khera (DIN 00263581) as an Independent Director.

Signed thisday of20.....

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

BOOK POST



(A VIEW OF HIMALYA INTERNATIONAL LTD, HIMACHAL PRADESH & GUJARAT)

To,

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If undelivered please return to :
HIMALYA INTERNATIONAL LIMITED.
Village : Shubhkhera,
Paonta Sahib-173 025 (H.P.)
Phone : 01704-223494
Fax : 01704-225178
www.HimalyaInternational.com