



Annual Report 2012-13

# Himachal Fibres Limited

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







## HIMACHAL FIBRES LIMITED



# “ Emerging Trends in Indian Textile Industry ”

FROM THE DESK OF MANAGING DIRECTOR

Dear Shareholders

The global economy has been passing through a prolonged phase of uncertainty and the low growth along with the atmosphere of hesitancy is also reflected in India. The Textile Industry in India was severely impacted by the global slow down and recession during the period under review. Monetary and fiscal policies were geared towards taming domestic inflation, which adversely impacted investments and consumption growth. However, recently inflation has moderated somewhat and it is hoped that it will remain under reasonable control.

The year 2012-13 was marked by declining growth the world over. The growth in the World Gross Product (WGP) was estimated to be 2.3% in 2012. Many large developing countries including Brazil, China and the Russian Federation, saw a significant deceleration in GDP growth in the past two years. This deceleration was attributed to a combination of weak external conditions and domestic impediments.

India was no exception. The Indian economy, Asia's third-largest, slowed sharply to 5% in FY 2012-13 from the scorching growth notched a few years ago due to a string of factors including high inflation, high interest rates, decelerated global economy, delay in project implementation, policy logjam, industrial growth slump, declining business sentiment and high current account deficit.

Having built sizeable capacities across the value chain in cotton as well as in polyester, your company has now commenced its phase of consolidation in right earnest. We would be taking several initiatives towards this end:

- Continuing to effectively manage costs and improve plant efficiency.
- Being more disciplined in our use of cash, rationalization of new capital expenditure and intensifying our focus on high profitable areas in textiles.
- expanding our product portfolio and business markets;
- sharpening customer focus, and finally
- creating and encouraging a high performance culture.

We will internally reinforce strategies to bring about overhead reductions, procurement savings and newer products that carry the stamp of our cutting edge innovation. We will endeavor to improve cash flows and leverage that to accelerate revenue and earnings growth. We would continue our efforts to be the market leader through product innovation and expand our presence in new business geographies.

Indian economy is also expected to grow at a slower rate at 5-6% for next couple of years. It largely depends upon the policy actions of the contemporary government to augment public and private sector investment in infrastructure building, power generation alongside addressing policy bottlenecks hindering capital formation in the country.

The Government of India has formulated an expert group to formulate National Textile Policy, which is expected to look into the issues of global competitiveness of the Indian textile industry including growth in exports. We hope the Group will give some actionable policy inputs to put the textile industry on sustained growth path.

I would like to extend my gratitude to all our stakeholders including shareholders, customers, lenders and our loyal, hardworking and committed employees for their continued support and faith in the Company.

With Best Wishes

Sd/-

Akhil Malhotra  
Managing Director



# HIMACHAL FIBRES LIMITED

## **BOARD OF DIRECTORS:**

Shri Sushil Singla  
Shri Akhil Malhotra  
Shri Rajinder Kumar  
Shri Mayank Malhotra  
Shri Pawan Nagpal  
Shri Rajan Dhawan  
Shri Raj Mittal  
Shri Daljeet Singh Rana

## **DESIGNATION**

Chairman  
Managing Director  
Whole Time Director  
Director  
Whole Time Director  
Director  
Director  
Director

## **KEY EXECUTIVE OFFICERS**

*Secretarial/Corporate/compliances*  
Shri Mukesh Singh Verma  
Company Secretary

*Accounts/Finance/Taxation*  
Shri Ashwani Kumar  
G.M (Finance & Accounts)

## **STATUTORY AUDITORS:**

Sumat Gupta & Co.  
Chartered Accountants,  
G. T. Road, Miller Ganj,  
Ludhiana – 141 003

## **COST AUDITORS**

J.Verma & Associates  
Cost Accountants  
2<sup>nd</sup> Floor, Bajaj Building  
Bazaar Panj Peer  
Jalandhar City-144001

## **BANKERS:**

State Bank of India,  
Industrial Finance Branch  
Golden Tower, Dholewal Chowk  
Ludhiana - 141003

## **REGISTERED OFFICE/WORKS**

Plot No. 43-44, Industrial Area  
Barotiwala- 174103  
Distt. Solan (H.P.)

## **REGISTRAR & SHARE TRANSFER AGENT**

Beetal Financial & Computer Services (P) Ltd,  
"Beetal House", 3<sup>rd</sup> Floor, 99, Madangir,  
Behind Local Shopping Centre,  
New Delhi – 110 062

## **CORPORATE OFFICE**

SCO-1, Ground Floor, City Tower  
Model Town, Ludhiana – 141 002

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## NOTICE

NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of **HIMACHAL FIBRES LIMITED** will be held at the Registered Office of the company at Plot No. 43-44, Industrial Area, Barotiwala, Distt. Solan (H.P.) 174 103, on Friday, the 27<sup>th</sup> September, 2013 at 01:00 P.M. to transact the following businesses:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2013 and the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Raj Mittal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri D S Rana, who retires by rotation and being eligible, offers himself for re-appointment.
4. To Appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Sumat Gupta & Co, the retiring Auditors are eligible for re-appointment.

### SPECIAL BUSINESS

5. *To consider and if thought fit, to pass with or without modification(s), if any, the following resolutions as an ordinary resolution:*
  - (a) **“RESOLVED THAT** Shri Mayank Malhotra, who was appointed as an additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under section 257 in writing proposing their candidature for the office of director be and is hereby appointed as director of the Company.”
  - (b) **“RESOLVED THAT** Shri Pawan Nagpal, who was appointed as an additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under section 257 in writing proposing their candidature for the office of director be and is hereby appointed as director of the Company.”
6. *To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as special resolution:*

**“RESOLVED THAT** pursuant to the recommendation of the Remuneration Committee and pursuant to provisions of section 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and subject to such other consents, approvals and permissions if any required, approval of the members of the Company be and are hereby accorded to the variation/alteration in the terms of appointment of Mr. Akhil Malhotra, Managing Director of the Company regarding not to pay any monthly remuneration to him w.e.f. 1<sup>st</sup> December, 2012 for the remaining period of his tenure.

**FURTHER RESOLVED THAT** Mr. Akhil Malhotra, Managing Director and/ or Mr. Mukesh Singh Verma, Company Secretary of the company be and are hereby authorized to sign the necessary documents and to take all such steps expedient or desirable to give effect to this resolution.”

7. *To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as special resolution:*



## HIMACHAL FIBRES LIMITED

**“RESOLVED THAT** pursuant to the provisions of sections 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, consent of the members be and are hereby accorded to the appointment of Mr Pawan Nagpal, Director as Whole-time Director of the Company for a period of 5 (five) years with effect from 01.08.2013 to 31.07.2018 on a total monthly remuneration of Rs. 50,000/- per month (Rupees Fifty Thousand Only).

**FURTHER RESOLVED THAT** the Board of Directors including any committee thereof (the “Board”) be and are hereby authorised to revise, amend, alter and vary the terms and conditions of his remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII or any modification thereto and as may be agreed to by and between the Board and Mr Pawan Nagpal.

**FURTHER RESOLVED THAT** where in any Financial Year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company may pay to Whole-time Director, the above remuneration as the minimum remuneration not exceeding the limit specified in section II of part II of schedule XIII of the Companies Act, 1956.

**FURTHER RESOLVED THAT** the Board or any committee thereof be and is hereby authorized to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.

**FURTHER RESOLVED THAT** pursuant to the provisions of the Factories Act, 1948, Environmental & Pollution Control Laws, applicable Economic Legislations, Labour Laws, all other statutory departments and other applicable provisions, if any of the Companies Act, 1956, approval of shareholders be and are hereby accorded to the appointment of Mr Pawan Nagpal, Whole-time director of the company as an “Occupier” under the Factories Act and all other Acts, for the manufacturing unit situated at Plot No 43-44, Industrial Area, Barotiwala, Distt- Solan, 174 103 , Himachal Pradesh. He shall be responsible towards all departments for all the activities being carried on in the unit.

**FURTHER RESOLVED THAT** Mr Pawan Nagpal, be and is hereby authorized to do all such act deeds & things as may be required under the Factories Act, 1948, Environmental & Pollution Control Laws, applicable Economic Legislations, Labour Laws and all other statutory departments including signing of application, documents, forms required to be submitted to the concerned departments and authorities and to honour the duties & responsibilities of an occupier.

**FURTHER RESOLVED THAT** Shri Akhil Malhotra, Director and/ or Mr Mukesh Singh Verma, Company Secretary of the Company be and are hereby authorized to take all such steps as may be necessary to give effect to this resolution.”

For Himachal Fibres Limited

Sd/-

Akhil Malhotra

Managing Director

Place: Ludhiana.

Dated: 13.08.2013

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.**



2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items of Special Business is annexed hereto and forms part of this notice.
3. The Members are requested to notify the changes, if any, in their registered addresses, at the earliest and may also intimate their E-mail address (es), if any, to the Company.
4. Please send your queries, if any, regarding annual accounts at least 10 days in advance prior to the date of Annual General Meeting so that information can be made available at the meeting.
5. The copies of the relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.
6. The members are requested to bring their copy of attendance slip with them to the Annual General Meeting.
7. The Register of Members and the Share Transfer Books will remain closed from 23rd September, 2013 to 27<sup>th</sup> September, 2013 (both days inclusive).

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEMS OF SPECIAL BUSINESS:**

#### **ITEM NO-5 (a)**

Sh Mayank Malhotra was appointed as an additional director of the Company on 12.04.2013 by the Board of directors of the Company. According to the provisions of section 260 of the Companies Act, 1956, he holds office as Director only upto the date of the ensuing Annual General Meeting. As required by section 257 of the Act, a notice has been received from member signifying his intention to propose appointment of Sh Mayank Malhotra as a director along with a deposit of Rs. 500. The Board considers it desirable that the Company should continue to avail itself of his services.

Except, Sh Akhil Malhotra, Managing Director & Sh Mayank Malhotra himself, no other directors of the company are concerned or interested in the proposed resolution.

#### **ITEM NO-5 (b)**

Sh Pawan Nagpal was appointed as an additional director of the Company on 13.08.2013 by the Board of directors of the Company wef 01/08/2013. According to the provisions of section 260 of the Companies Act, 1956, he holds office as Director only upto the date of the ensuing Annual General Meeting. As required by section 257 of the Act, a notice has been received from member signifying his intention to propose appointment of Sh Pawan Nagpal as a director along with a deposit of Rs. 500. The Board considers it desirable that the Company should continue to avail itself of his services.

No directors of the company, except Mr. Pawan Nagpal himself is concerned or interested in the proposed resolution.

#### **ITEM NO-6**

Shri Akhil Malhotra is acting as Managing Director of the Company. Sh Akhil Malhotra, in Board meeting held on 10/11/2012, keeping in view the tough business competition faced by the Company & current market situation, expressed his unwillingness to accept any monthly remuneration further w.e.f. 1<sup>st</sup> December, 2012 for the remaining period of his tenure. The variation in terms of remuneration requires approval of shareholders. Hence, the proposed resolution.

Mr Mayank Malhotra, Director of the Company is deemed to be concerned or interested in this resolution, being relative of Mr Akhil Malhotra.

The above may be treated as an abstract as required under section 302 of the Companies Act, 1956.



## HIMACHAL FIBRES LIMITED

### ITEM NO-7

Mr Pawan Nagpal was appointed as additional director of the Company by Board wef 01/08/2013. He is commerce graduate and have done diploma in material management. Mr Pawan Nagpal is having around 28 years of working experience in Textile Industry. He has vast experience of commercial activities like stores, purchase, excise, production, plant etc. Your Directors wish to avail his service by appointing him as Whole-time Director of the Company. In return of his services, Board considers it fit to pay him remuneration as mentioned above. His remuneration is governed by the provisions of Schedule XIII of the Companies Act, 1956.

Further, the Provisions of the Factories Act, 1948 apply to the Factories covered under the Act. Company's units situated at Plot No 43-44, Industrial Area, Barotiwala, Distt- Solan, 174 103 , Himachal Pradesh are covered under Factories Act, 1948. The Act describes the responsibilities of occupier to the units to ensure compliance of various provisions relating to health, safety welfare facilities, working hours, employment of young person, Annual leave with wages etc. Similarly, the provisions of many other Acts and Statutory provisions apply to the Company and the Occupier is responsible to ensure Compliance of the relevant provisions and requirements under the same.

In view of the above Board considers it desirable to appoint Mr. Pawan Nagpal, as Whole-time Director and as Occupier for the units above mentioned.

The Board recommends the resolution for approval of shareholders by special resolution.

Hence the proposed resolution.

None of the Directors of the Company are interested or concerned in the resolution in any manner except the appointee.

For Himachal Fibres Limited

Place: Ludhiana.  
Dated: 13.08.2013

Sd/-  
Akhil Malhotra  
Managing Director





## HIMACHAL FIBRES LIMITED

### Information Pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/ re-appointment in the Annual General Meeting

Name of the Director	Mr Raj Mittal	Mr D S Rana	Mr Mayank Malhotra	Mr Pawan Nagpal
Date of Birth	21/12/1965	20/06/1963	04/10/1986	10/10/1958
Date of Appointment	18/07/2007	15/03/2010	12/04/2013	01/08/2013
Expertise in specific functional area	Audit, Income Tax and Company Law	Rich experience of more than 20 years in Textile Industry.	Industrial & Business experience of more than 7 years.	Rich experience of more than 28 years in Textile Industry.
Qualification	Chartered Accountant	Textile Engineer	Undergraduate	Graduate
Directorship of other Companies as on 31 <sup>st</sup> March, 2013	NIL	Shiva Textfabs Limited	1. Shiva Speciality Yarns Limited 2. Shiva Textfabs Limited 3. Brijeshwari Textiles Private Limited 4. Hitech Dyeing And Finishing Mills Private Limited 5. Balmukhi Textiles Private Limited 6. Shiva Spin-n-Knit Limited 7. Shiva Texchem (Gujarat) Private Limited 8. Shiva Spinfab Private Limited 9. K K Fibers Limited 10. Yogindera Worsted Limited	NIL
Chairman/ Member of Committees of other Companies as on 31 <sup>st</sup> March, 2013	-	-	2	-
No. of Shares held	NIL	NIL	2,00,000	NIL
Relationship with other Director(s)	Not related to any director	Not related to any director	Mr Mayank Malhotra is son of Mr Akhil Malhotra( Managing Director)	Not related to any director



## DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report of your company together with the Audited Accounts for the period ended 31st March, 2013 comprising of period from 01.04.2012 to 31.03.2013.

### 1. FINANCIAL AND OPERATIONAL PERFORMANCE

Rs. In Lacs

	<b>2012-13 (12 Months)</b>	<b>2011-12 (12 Months)</b>
Sales	12095.46	10360.68
Other Income	44.75	24.19
Total Receipts	12140.21	10384.87
Total Expenses	11986.71	10159.56
<b>Profit before tax</b>	<b>153.50</b>	<b>225.31</b>
Income Tax	33.00	46.20
Deferred Tax	54.60	49.70
Fringe Benefit Tax	-	-
<b>Profit after tax</b>	<b>65.90</b>	<b>129.41</b>

During the year under review, the company has achieved a total Turnover of 12095.46 Lacs and Net profit of Rs.65.90 Lacs for the year ended on 31st March 2013.

### 2. DIVIDEND

Your directors regret their inability to propose payment of dividend for the period under review to conserve resources for the proposed modernization and expansion plans.

### 3. PROSPECTS

During the year under review, the company has also come out with allotment of 40,00,000 Equity shares to Promoters/promoter's group. The special resolution for the same was passed by the Extra ordinary General Meeting dated 15.03.2012 by the shareholders of the company. The aforesaid shares were allotted on 21.05.2012 to the Promoters Group after getting the In Principle Approval from BSE.

The company has after the allotment of shares to Promoters/Promoters Group has also applied to SEBI for their approval of Open Offer to the existing Shareholders of the Company. Detailed Public announcement & Letter of offer was filed in SEBI & is also available on the SEBI's website for the reference i.e. [www.sebi.gov.in](http://www.sebi.gov.in)

Further the Promoter/Promoter's Group have acquired 2,04,150 Equity shares by way of Open offer from the Public shareholders. Now the total Equity Shareholding of the Promoters/promoters Group is 47,04,150 equity shares representing 54.54% of Total Equity capital of the Company.

### 3. PUBLIC DEPOSITS

During the year under report, your Company has not accepted any deposits to which the provisions of Section 58A & 58AA and other relevant provisions of the Companies Act, 1956 and rules framed thereunder regarding acceptance of deposits from the public are applicable.



## 4. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual account the applicable accounting standards have been followed and there are no material departures from the same.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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/loss of the Company for the year under review.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- iv) The Directors have prepared the annual account on a 'going concern' basis.

## 5. DIRECTORS

Shri Raj Mittal & Shri D S Rana, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Shri Mayank Malhotra was appointed as an additional director by the Board of Director's Administration committee w.e.f. 12<sup>th</sup> April, 2013 in the category of the Promoter as Non-Executive Director. The Company has received a notice in writing from a member signifying his candidature for the office of the director of the Company. The Board recommended for his appointment.

## 6. AUDIT COMMITTEE

Pursuant to Section 292A(1) of the Companies Act, 1956 and provisions of the Listing Agreement of the Stock Exchange, the company has already constituted Audit Committee consisting of Shri Sushil Singla, Director as Chairman, Shri Raj Mittal, Director & Shri Akhil Malhotra, Managing Directors as members. The committee met Four times during the period under review.

## 7. REMUNERATION COMMITTEE

The remuneration committee comprises of three Directors viz. Shri Sushil Singla as Chairman, Shri Raj Mittal and Shri Rajan Dhawan as members. All are Independent non-executive Directors. Broad terms of reference of the Remuneration Committee include recommendation to the Board on salary/perquisites, commission and retirement benefits and finalization of the perquisite package payable to the company's Managing Director/ Whole-time/ Executive Directors.

## 8. CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code as stipulated under the Listing Agreement with the Stock Exchange(s) during the year under review. A separate section on Corporate Governance alongwith certificate from the Auditors confirming the compliance is annexed and forms part of the Annual Report.

## 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis is annexed hereto as a separate statement in the Annual Report.



## 10. PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

The Company had no employee who was in receipt of remuneration during the year under report, which in the aggregate was equal to or more than such sum as is prescribed under Section 217 (2A) of the Companies Act, 1956.

## 11. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

The information as required by section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption are annexed hereto and form part of this report.

## 12. AUDITORS & AUDITOR'S REPORT

The retiring auditors M/S Sumat Gupta & Co., Chartered Accountants are eligible for re-appointment for the year 2013-14. They have furnished a certificate in terms of section 224(1B) of the Companies Act, 1956 certifying their eligibility to continue as auditors, if re-appointed.

The observations made in the Auditor's Report are self explanatory in nature.

## 13. COST AUDITORS

M/s J.Verma & Associates, Cost Accountants have been appointed to conduct Cost Audit of the Company for the Financial Year 2013-14. Due date of filing for the Financial Year 2012-13 will be 27.09.2013 & the Cost Audit Report for the financial Year 2011-12 in Form-1 was filed on 28.02.2013 vide its Challan No- S20427522 due date of which was extended to 28.02.2013 by Ministry of Corporate Affairs.

## 14. ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the support and co-operation extended by Central and State Governments, Employees and Banks, Customers and business associates of the Company and confidence reposed by the Shareholders.

For and on behalf of the Board  
For **HIMACHAL FIBRES LIMITED**

Place: Ludhiana  
Dated: 28.05.2013

Sd/-  
**AKHIL MALHOTRA**  
Managing Director

Sd/-  
**RAJINDER KUMAR**  
Whole Time Director





## ANNEXURE TO THE DIRECTORS REPORT MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

India Textile industry is one of the leading textile industries in the world. Though it was pre dominantly unorganized industry even a few years back, the scenario started changing after the economic liberalization of Indian economy in 1991. The opening up of economy gave the much-needed thrust to the textile industry, which has now successfully become one of the largest in the world.

Indian Textile industry largely depends upon the textile manufacturing and export. It also plays a major role in the economy of the country. India earns about 27% of its total foreign exchange through textile exports. Further, the textile industry of India also contributes nearly 14% of the total industrial production of the country. It also contributes around 3% to the GDP of the country. India textile industry is also the largest in the country in terms of employment generation. It not only generates jobs in its own industry, but also opens up scopes for the other ancillary sectors. Indian textile industry currently provides employment to more than 35 million people.

### TEXTILE INDUSTRY SCENARIO:

The Indian Textile Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a vital role through its contribution to industrial output, employment generation, and the export earnings of the country.

The sector contributes about 14 percent to industrial production, 4% to the gross domestic product (GDP), and 17% to the country's export earnings. It provides direct employment to over 35 Million people. The textile sector is the second largest provider of the employment after agriculture. This, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5% to 8% and reach US\$ 80 billion by 2020.

### GOVERNMENT INITIATIVES AND REGULATORY FRAMEWORK

The Government of India has promoted a number of export promotion policies for the Textile sector in the Union Budget 2011-12 and the Foreign Trade Policy 2009-14.

It has allowed 100 Percent Foreign Direct Investment (FDI) in Textiles under the automatic route.

### INVESTMENT

The Textiles Sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investments (FDI) worth US\$ 1.04 billion during April 2000 to November 2012.

### THREATS:

The increase in the rate of CENVAT, fluctuation in crude oil prices and depreciation of Indian rupee lead to high raw material and fuel cost posing a threat to the industry. There are challenges, such as inflation, high interest rates, depreciating rupee, delays in policy initiatives to boost investments and capital flows etc, will moderate growth and which in the short term are likely to affect your Company's performance.



## **OPPORTUNITIES:**

Increase in prices of cotton has increased demand for polyester fabrics. The future outlook of yarns is more impressive than cotton. The growing applications of synthetic yarns in the day to day life and new areas of fabric for apparels, technical textiles, furnishing and other home textiles will absorb the ongoing expansions in the industry.

The potential size of the Indian textiles industry is expected to reach US\$ 220 billion by 2020.

## **RISK MANAGEMENT:**

The Company is exposed to risks from market fluctuations of foreign exchange and raw material prices. Safety, health and environmental risks are controlled by formulating a clear policy on environmental conservation, safety and health. The management minimizes the other uncertainties by monitoring the same vigilantly on a day-to-day basis and taking proactive action immediately.

## **INTERNAL CONTROL SYSTEM**

The necessary internal control system has been set up in the organization in consultation with the Auditors of the Company. It appears to be adequate considering the size of the operations. The systems are being constantly upgraded as the operations of the Company improve.

## **HUMAN RELATIONS, INDUSTRIAL RELATIONS, ETC.**

The industrial relations were cordial during the year. The management is confident that the same situation would continue during the coming year also.

## **FORWARD LOOKING STATEMENTS**

Certain statements in this report on "Management Discussions and Analysis" may be forward looking statements within the meaning of applicable securities, laws and regulations. There are several factors, which would be beyond the control of the management, and as such, actual results could differ materially from those expressed or implied.



**ANNEXURE TO THE DIRECTOR'S REPORT**

Additional information as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 and forming part of the Director's Report for the 12 months period ended on 31st March, 2013.

**A. STATEMENT RELATING TO CONSERVATION OF ENERGY**

		2012-13	2011-12
<b>A)</b>	<b>POWER AND FUEL CONSUMPTION</b>		
1	ELECTRICITY		
	(a) PURCHASED		
	UNIT (LACS)	63.51	77.73
	TOTAL AMOUNT (RS/LAC)	363.39	384.68
	RATE/UNIT (RS)	5.72	4.95
	(b) OWN GENERATION		
	THROUGH DIESEL GENERATOR		
	UNIT (LACS)	1.89	3.30
	UNIT PER LITER OF DIESEL OIL	3.12	3.36
	COST/UNIT (RS)	13.79	11.20
2	COAL		
	QUANTITY (KGS)	682059	1135184.37
	TOTAL COST (RS.)	6554584	10021240.12
	AVERAGE RATES (RS.)	9.61	8.83
3	FURNACE OIL		
4	OTHER/INTERNAL GENERATION		
	(RICE HUSK CONSUMPTION)		
	QUANTITY (LAC/KGS)		
	RATE/UNIT (RS/KG)		
<b>B)</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
	PRODUCT		
	COTTON & BLENDED YARN		
	ELECTRICITY UNIT/PER KG	2.55	1.84
	FURNACE OIL		
	COAL		

**B. RESEARCH & DEVELOPMENT**

The Research & Development efforts in the company are focused for improvement of in-house expertise, creating work culture and adoption of new technologies, wherever possible, to conserve energy consumption.



## HIMACHAL FIBRES LIMITED

### C. TECHNOLOGY ABSORPTION

It is proposed to adopt latest technology in the plant to maximize production, yield and better quality along with minimum consumption of energy.

### D. FOREIGN EXCHANGE EARNING AND OUTGO

	2012-13 (12 Months) (Rs./Lacs)	2011-12 (12 Months) (Rs./Lacs)
a) Earning (Export Sales- FOB Value)	NIL	NIL
b) Outgo:		
i) Imports-Raw Material & Spares	NIL	NIL
Capital Goods	NIL	NIL
ii) Expenditure	NIL	NIL
c) Net Foreign Exchange Earnings	NIL	NIL

For and on behalf of the Board  
For **HIMACHAL FIBRES LIMITED**

Place: Ludhiana  
Dated: 28.05.2013

Sd/-  
**AKHIL MALHOTRA**  
Managing Director

Sd/-  
**RAJINDER KUMAR**  
Whole Time Director





## REPORT ON CORPORATE GOVERNANCE

This Report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensures that a Company meets its obligations to optimize shareholders value and fulfill its responsibilities to the community, customers, employees, Government and other segment of society. This report on Corporate Governance, besides being in compliance of the mandatory Listing agreement, gives an insight into the functioning of the Company.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

- Faith in Bright future of Textiles and hence continued expansion in areas "Which we know best".
- Total Customer focus in all operational areas.
- Products to be of best available quality through TQM and zero defect implementation.
- Faith in individual potential and respect for human values.
- Encouraging innovation for constant improvements to achieve excellence in all functional areas.
- Accepting change as a way of life.
- Appreciating our role as a responsible corporate citizen.

During the period under review, the company had best corporate practices so as to bring them in line with the revised Clause 49 of the listing agreement. The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholder's wealth and at the same time protect the interests of all its shareholders.

### 2. BOARD OF DIRECTORS

#### i. Board Meetings:

During the Financial year i.e. 01.04.2012 to 31.03.2013, the Board met 6 (six) times on the following dates-

21<sup>st</sup> May, 2012

28<sup>th</sup> May, 2012

07<sup>th</sup> June, 2012

13<sup>th</sup> August, 2012

12<sup>th</sup> November, 2012

13<sup>th</sup> February, 2013

#### ii. Composition as on March 31, 2013:

The Board of directors of the company is having an optimum combination of executive and non-executive directors with not less than fifty percent of the board of directors comprising of non-executive directors.

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of Directorship/Chairmanship in other Indian Public Limited Companies are as follows:



Name of the Director	Category	Attendance of meeting during 2012-13		No. of Other Directorship(s) (excluding directorships in Foreign company and private company)	No of Membership(s)/ Chairmanship(s) of Board committees in other companies	
		Board Meeting	Last AGM		Chairman-Ship in Board Committee	Membership in Board Committee
Shri Sushil Kumar Singla (Appointed on 04/06/2010)	Chairman/ Independent/ Non Executive	5	Yes	4	3	-
Shri Rajinder Kumar (Appointed on 28/05/2010)	Promoter / Whole Time Director/ Executive	6	No	1	-	-
Shri Akhil Malhotra (Appointed on 28/05/2010)	Promoter/ Managing Director/ Executive	6	No	5	-	3
Shri. Daljeet Singh Rana (Appointed on 15/03/2010)	Non Executive/ professional	5	No	1	-	-
Shri Raj Mittal (Appointed on 18/07/2007)	Independent/ Non Executive	5	No	-	-	-
Shri Rajan Dhawan (Appointed on 04/06/2010)	Independent/ Non Executive	5	No	1	-	-
Shri Prem Prakash Thukral (Appointed on 13.02.2012)	Whole Time Director/ Occupier/ Executive	5	Yes	-	-	-

### 3. AUDIT COMMITTEE:

As at 31<sup>st</sup> March, 2013, the Audit Committee comprised of 3 Directors

1. Shri Sushil Kumar Singla, Chairman
2. Shri Raj Mittal, Member
3. Shri Akhil Malhotra, Member

The terms of reference of the Audit Committee are, as contained in section 292A of the Companies Act, 1956 and also contained in Corporate Governance Clause of the Listing Agreement.

The audit Committee met 4 times during the financial year ended on 31.03.2013 i.e. on 28<sup>th</sup> May 2012, 13<sup>th</sup> August 2012, 12<sup>th</sup> November 2011 & 13<sup>th</sup> February 2013. In terms of reference of this committee, cover the matters specified under the listing agreement and the Companies Act, 1956.

Name of the Director	Category	Attendance
Shri Sushil Kumar Singla	Chairman/Independent Non Executive	4
Shri Raj Mittal	Member/Independent Non Executive	4
Shri Akhil Malhotra	Promoter/Managing Director	4

### 4. REMUNERATION COMMITTEE

The remuneration committee comprises of three Directors viz. Shri Sushil Kumar Singla as Chairman, Shri Raj Mittal and Shri Rajan Dhawan as members. All are non-executive independent Directors. Broad terms of reference of the Remuneration Committee include recommendation to the Board on salary/perquisites, commission and retirement benefits and finalization of the perquisite package payable to the company's Managing Director/ Whole-time/ Executive Directors.

#### 4.1 SITTING FEES TO DIRECTORS

Details of sitting fees to directors for 2012-13 are as follows :



<b>Name of the Director</b>	<b>Sitting Fees for Board Meetings (Rs)</b>	<b>Sitting Fees for Audit Committee Meetings (Rs)</b>
1 Shri Sushil Kumar Singla	12,500	10,000
2 Shri Akhil Malhotra	-	-
3 Shri Rajinder Kumar	-	-
4 Shri Daljeet Singh Rana	-	-
5 Shri Raj Mittal	12,500	10,000
6 Shri Rajan Dhawan	12,500	-
7 Shri Prem Prakash Thukral	-	-

**5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

To specifically look after the share transfer work and to look into the redressal of complaints like transfer of shares, non-receipt of annual report and non-receipt of dividend etc., the company has set up a Shareholders / Investor Grievance Committee. The committee consists of three members viz. Shri Sushil Kumar Singla, Director, as the Chairman, Shri Raj Mittal & Shri Akhil Malhotra Directors as the members of the Committee.

The said committee has also been entrusted with the tasks of Share Transfer Committee as required to be formed under the Companies (Issue of Share Certificate) Rules, 1960.

**Details of Shareholders Complaints received by the company during the Year:**

<b>Complaint Received during the Year</b>	<b>Complaints Resolved during the Year</b>	<b>Complaints pending as on 31.03.2013</b>
<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**6. COMPLIANCE OFFICER**

Shri Mukesh Singh Verma, Head (Corporate Affairs) & Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement with Stock Exchange(s).

**7. CEO/CFO CERTIFICATION**

In terms of the requirement of the clause 49(V), The CEO i.e. The Managing Director/ Whole Time Director/ Manager appointed in terms of Companies Act 1956 and the CFO i.e. the Whole Time Finance Director or any other person heading the finance function shall certify to the board regarding the authenticity of the financial statement. Therefore, Certificate from Shri Akhil Malhotra, Managing Director & Shri Ashwani Kumar, G.M (F&A) has obtained and placed before the Board of Directors. The same is attached herewith the Corporate Governance Report.

**8. CODE OF CONDUCT**

In tune with the corporate philosophy, the Board of Directors of the company has laid down a code of conduct for all Board Members and Senior Management of the company in terms of the requirement placed in the amended clause 49 of the Listing Agreement. The code of conduct is displayed at company's website at [www.himachalfibre.com](http://www.himachalfibre.com).

All members of the Board and Senior Management personnel affirm compliance with the code of conduct and business ethics and Shri Akhil Malhotra, Managing Director has given declaration to this effect as hereunder:



**Declaration regarding compliance with the code of conduct and ethics policy of the company by board members and senior management personnel**

I hereby confirm that:

The company has obtained from all members of the Board and Senior Management personnel, affirmation that they have complied with the code of conduct and ethics for Directors and senior management personnel for the financial year 2012-13.

Date: 28.05.2013  
Place: Ludhiana

Sd/-  
Akhil Malhotra  
Managing Director

**9. Any special resolutions passed in the previous 3 AGM's**

Financial Year	Location of Meeting	Date & Time	Special Resolution passed
2011-12	Registered Office at Barotiwala	29.09.2012 01.00 P.M.	<ul style="list-style-type: none"> <li>Appointment of Sh Prem Parkash Thukral , WTD as occupier.</li> </ul>
2010-11	Registered Office at Barotiwala	30.09.2011 01.00 P.M.	<ul style="list-style-type: none"> <li>Allotment of 11,20,000 equity Shares to other than promoters on preferential basis</li> <li>Appointment of Shri Akhil Malhotra as a Managing Director.</li> <li>Increase in Authorised Capital of the Company.</li> </ul>
2009-10	Registered Office at Barotiwala	30.09.2010 01.00 P.M	<ul style="list-style-type: none"> <li>Regularization of Directors appointed.</li> <li>Appointment of Shri Rajinder Kumar as a Whole Time Director</li> </ul>

**10. GENERAL INFORMATION FOR SHAREHOLDERS**

- The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the company. The disclosure relating to transactions with the related parties as per Accounting Standard 18 is appearing in the Para-10(ii) of Notes to accounts in the Balance Sheet of the company for the year ended 31st March, 2013.
- Details of non-compliance by the company, penalties, structures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years. **NIL.**

**11. MEANS OF COMMUNICATION**

Newspapers where quarterly results are normally published	Business Standard (English & Hindi)
Any website, where displayed	<a href="http://www.himachalfibre.com">www.himachalfibre.com</a> <a href="http://www.bseindia.com">www.bseindia.com</a>
Whether it also displays official news releases; and the presentations made to institutional investors or to analysts	Not yet
Whether Management Discussion & Analysis Report is a part of annual report or not	Yes





## 12. GENERAL SHAREHOLDER INFORMATION

Company Registration detail	The company is registered in the state of Himachal Pradesh, India. The Corporate Identity Number (CIN) allotted to the company by the Ministry of the Corporate Affairs (MCA) is L17119HP1980PLC031020.
AGM : Date, time and venue	Friday, 27 <sup>th</sup> September, 2013 Time: 01.00 P.M. Venue: Plot No. 43-44, Industrial Area, Barotiwala, Distt. Solan (H.P.) 174103
Financial Year	01 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2013
Book Closure Date	23 <sup>rd</sup> September, 2013 to 27 <sup>th</sup> September, 2013
Listing	The Securities of the Company are listed on Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001  The Company has duly paid the listing fee of the Stock Exchange for the FY 2013-14
Demat ISIN Number for NSDL and CDSL	INE723D01013
Payment of Depository Fees	Annual Custody/ Issuer fee for the year 2013-14 has been paid by the Company to NSDL and CDSL.
BSE Scrip Code	514010

## 13. REGISTRAR AND TRANSFER AGENT

### a) ADDRESS:

MS BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.

'Beetal House', 3<sup>rd</sup> Floor, 99, Madangir,

Behind Local Shopping Centre,

New Delhi – 110 062

Ph. 011-29961281 (6 Lines) Fax. 011-29961284

E-mail. [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)

Website. [www.beetalfinancial.com](http://www.beetalfinancial.com)

### b) SHARE TRANSFER SYSTEM:

Share Transfers in physical form can be lodged with the Registrar and Share Transfer Agent at the above mentioned address. The transfers are normally processed within 15-20 days from the day of receipt, if the documents are complete in all respects.



**14. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2013**

No. of Equity Shares held	No. of Shareholders in each category	% of total	No. of shares held	% of total
Up to 5000	1,832	95.72	1,61,100	1.8678
5001 to 10000	22	1.15	16,300	0.1890
10001 to 20000	11	0.57	16,750	0.1942
20001 to 30000	10	0.52	25,250	0.2928
30001 to 40000	3	0.16	10,550	0.1223
40001 to 50000	6	0.31	27,525	0.3191
50001 to 100000	5	0.26	32,600	0.3978
100001 and above	25	1.31	83,34,925	96.6368
<b>TOTAL</b>	<b>1,914</b>	<b>100.00</b>	<b>86,25,000</b>	<b>100.00</b>

**15. DEMATERIALIZATION OF SHARES:**

As on 31st March 2013 the following Shares of the Company are held at Dematerialized form:

Shares held at CDSL	Shares held at NSDL	Shares held in Physical Form	Total
4217175	1743100	2664725	8625000

**16. MARKET PRICE DATA\***

Financial Year 2012-13	Share price of Himachal Fibres Limited			BSE sensex		
	Highest	Lowest	Closing	Highest	Lowest	Closing
Apr-12	15	15	14.4	17,664.10	17,010.16	17,318.81
May-12	15	15	15	17,432.33	15,809.71	16,218.53
Jun-12	15	15	15	17,448.48	15,748.98	17,429.98
Jul-12	15	15	15	17,631.19	16,598.48	17,236.18
Aug-12	15	15	15	17,972.54	17,026.97	17,429.56
Sep-12	14.26	14.26	14.26	18,869.94	17,250.80	18,762.74
Oct-12	13.55	13.55	13.55	19,137.29	18,393.42	18,505.38
Nov-12	14.00	14.00	14.00	19,372.70	18,255.69	19,339.90
Dec-12	14.70	14.70	14.70	19,612.18	19,149.03	19,426.71
Jan-13	15.35	15.35	15.35	20,203.66	19,508.93	19,894.98
Feb-13	15.35	15.35	15.35	19,966.69	18,793.97	18,861.54
Mar-13	15.35	15.35	15.35	19,754.66	18,568.43	18,835.77

Source: BSE Website

**17. PLANT LOCATION(S) & ADDRESS FOR CORRESPONDENCE**

<b>Registered Office &amp; Works</b>	Plot No. 43-44, Industrial Area, Barotiwala, Distt. Solan (H.P.) -174103
<b>Address for Correspondence</b>	Himachal Fibres Limited, Corporate Office: SCO-1, Ground Floor, City Tower, Model Town, Ludhiana-141002 Phone: 0161-4675499 Fax: 0161-4684010 E.Mail- investors@himachalfibre.com



**CEO and CFO CERTIFICATION [Clause-49(V)]**

To,  
The Board of Directors  
Himachal Fibres Limited  
Corporate office  
Sco-1, City Tower,  
Model Town, Ludhiana

We, Akhil Malhotra, Managing Director and Ashwani Kumar, G.M (F&A) of Himachal Fibres Limited have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  - (a) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
  - (b) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, that there is no deficiencies in the design or operation of such internal controls.
  - (c) We have indicated to the auditors and the Audit committee that
    - (i) There were no significant changes in internal control over financial reporting during the year;
    - (ii) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
    - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Sd/-  
Akhil Malhotra  
Managing Director**

**Sd/-  
Ashwani Kumar  
G.M (F&A)**

**Dated-28.05.2013  
Place-Ludhiana**



**COMPLIANCE [Clause-49(VII)]-Certificate from the Auditors**

To,  
The Members,  
**HIMACHAL FIBRES LIMITED**  
**Corporate office**  
**Sco-1, City Tower,**  
**Model Town, Ludhiana**

We have examined the compliance of conditions of Corporate Governance by the HIMACHAL FIBRES LIMITED, for the period ended on 31<sup>st</sup> March, 2013, as stipulated in Clause 49(VII) of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the company's management. Our examination was limited to the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on financial statements of the Company.

On the basis of our review and according to the information and explanations given to us, no investors grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee of the Board and the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange(s) haven been complied with in all material respects by the Company.

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

**For SUMAT GUPTA & CO.**  
**Chartered Accountants**

**Sd/-**  
**SUMAT GUPTA**  
**PARTNER**  
**M. No. 86000**

**Dated-28.05.2013**  
**Place-Ludhiana**



## INDEPENDENT AUDITOR'S REPORT

To the Members of,  
**Himachal Fibres Limited,**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Himachal Fibres Limited**, ('the Company') which comprise the balance sheet as at **31 March 2013**, the statement of profit and loss and 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 and financial performance in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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. 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, 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 2013;
- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of cash flows for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's 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 and Statement of Profit and Loss 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 subsection (3C) of section 211 of the Companies Act, 1956; and
  - e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**FOR SUMAT GUPTA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG. NO.010288N**

**DATED: 28.05.2013  
PLACE: LUDHIANA**

**Sd/-  
SUMAT GUPTA  
PARTNER  
(M.NO.086000)**





**ANNEXURE TO AUDITOR'S REPORT  
(REFER TO PARA ONE OF OUR REPORT OF EVEN DATE)**

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations give to us, a portion of fixed assets has been physically verified by the management during the year in accordance with a phased program of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) In our opinion and according to information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year.
2. (a) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. However, in respect of certain items, the inventories were verified by the management on a visual estimation which has been relied upon by us. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, 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) On the basis of our examination of the records of inventories, we are of the opinion that the company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories is compared to book records were not material and have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us, the company has not granted unsecured loan to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) According to the information and explanation provided to us and on basis of examination of the books of the account. We are of the opinion that the company has taken loan of Rs. 11.00 crores (Maxmium Outstanding Balance Rs.15.50 crores) during the year under review from two companies covered in the register maintained under section 301 of the Act.
- (c) According to information and explanation given to us and on the basis of the examination of the books of account, we are of the opinion that the repayment of principal amount are regular in respect of loans taken by the company as when they fall due.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and also with regard to sale of goods and services. Further, on the basis of our examination of the books & records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have been informed of any instances of major weaknesses in the aforesaid internal control systems.
5. (a) According to the information and explanations given to us, particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us , the transactions made in



## HIMACHAL FIBRES LIMITED

pursuance of contracts on arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rs. Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. The company has not accepted any deposits other than Inter Corporate Deposits in earlier year. Therefore, the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptances of Deposit) Rules, 1975 are not applicable.
7. In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determining whether they are accurate or not.
9. (a) According to the information and explanations given to us and records of the company examined by us, the company is not regular in depositing the undisputed statutory dues, including, provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, and other material statutory dues applicable to it. On the basis of examination of books, there are following undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they became payable:-

S.No.	Statute	Nature	Amount
1.	Himachal Pradesh Sales Tax Act	Works Contract Tax Payable	136008/-
2.	Income Tax Act, 1961	Fringe Benefit Tax	103040/-

- (b) According to the information and explanations given to us, no disputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty and cess matters.
10. The company has been registered for a period more than five years, it has accumulated losses of Rs. 1604.70 Lacs at the end of the year which are more than fifty percent of its net worth. However it has not incurred any cash losses during the current and immediately preceding financial year.
11. According to the information and explanation given to us and as per the books and records examined by us, the company has not defaulted in repayment of dues to financial institutions and banks.
12. According to information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company does not fall with in the category of Chit fund/Nidhi/Mutual Benefit fund/Society, therefore clauses (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company for the year under audit.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments, therefore clauses (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company for the year under audit.
15. On the basis of our examination of records and as per the explanations given to us, we are of the opinion that the



## HIMACHAL FIBRES LIMITED

company has not given any guarantee for loan taken by others from bank or financial institution.

16. On the basis of our examination of records and as per the explanations given to us, the company has not raised any term loan except vehicle loan during the period under review.
17. According to information and explanations given to us and as per the records examined by us, as on the date of balance sheet, the funds raised by the Company on short term basis have not been applied for long term investments.
18. According to information and explanations given to us and as per the records examined by us, the company has made allotment of equity shares on preferential basis during the year under review. However the price at which allotment is made is not prejudicial to the interest of the company.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India we have neither come across any instance of fraud on or by the company, noticed and reported during the year, nor have we been informed of such case by the management.

**FOR SUMAT GUPTA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG. NO.010288N**

**DATED: 28.05.2013  
PLACE: LUDHIANA**

**Sd/-  
SUMAT GUPTA  
PARTNER  
(M.NO.086000)**



# HIMACHAL FIBRES LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2013

PARTICULARS	NOTE NO	AS AT 31.03.2013	AS AT 31.03.2012
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>(1) SHAREHOLDER'S FUNDS</b>			
(A) SHARE CAPITAL	I	221250000.00	181250000.00
(B) RESERVES AND SURPLUS	II	<u>85512081.24</u>	<u>55217118.55</u>
<b>TOTAL OF SHARE HOLDER'S FUND (A)</b>		306762081.24	236467118.55
<b>(2) NON-CURRENT LIABILITIES</b>			
(A) LONG-TERM BORROWINGS	III	135132000.00	195041276.00
(B) OTHER LONG TERM LIABILITIES	IV	<u>0.00</u>	<u>1127751.00</u>
<b>TOTAL OF NON CURRENT LIABILITIES (B)</b>		135132000.00	196169027.00
<b>(3) CURRENT LIABILITIES</b>			
(A) SHORT-TERM BORROWINGS	V	225867157.47	222600208.00
(B) TRADE PAYABLES	VI	44952110.88	54810633.09
(C) OTHER CURRENT LIABILITIES	VII	34724236.41	34895488.07
(D) SHORT-TERM PROVISIONS	VIII	<u>3403040.00</u>	<u>4723040.00</u>
<b>TOTAL OF CURRENT LIABILITIES (C)</b>		308946544.76	317029369.16
<b>TOTAL</b>		<u><b>750840626.00</b></u>	<u><b>749665514.71</b></u>
<b><u>ASSETS</u></b>			
<b>(1) NON-CURRENT ASSETS</b>			
FIXED ASSETS			
TANGIBLE ASSETS	IX	265023140.68	274213650.60
CAPITAL WORK-IN-PROGRESS		0.00	1017792.00
DEFERRED TAX ASSETS (NET)		14075829.00	19535440.00
LONG TERM LOANS AND ADVANCES	X	17997981.48	18325288.20
OTHER NON-CURRENT ASSETS	XI	<u>2165000.00</u>	<u>2165000.00</u>
<b>TOTAL OF NON CURRENT ASSETS (A)</b>		299261951.16	315257170.80
<b>(2) CURRENT ASSETS</b>			
INVENTORIES	XII	297297546.00	308463489.00
TRADE RECEIVABLES	XIII	135697467.84	107529638.10
CASH AND CASH EQUIVALENTS	XIV	4685946.45	4109787.25
SHORT-TERM LOANS AND ADVANCES	XV	11060123.55	11834103.54
OTHER CURRENT ASSETS	XVI	<u>2837591.00</u>	<u>2471326.02</u>
<b>TOTAL OF CURRENT ASSETS (B)</b>		<u><b>451578674.84</b></u>	<u><b>434408343.91</b></u>
<b>GRAND TOTAL (A + B)</b>		<u><b>750840626.00</b></u>	<u><b>749665514.71</b></u>

AS PER REPORT OF EVEN DATE ATTACHED  
FOR SUMAT GUPTA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG.NO.010288N

ON OR BEHALF OF THE BOARD

Sd/-  
SUMAT GUPTA  
PARTNER  
M.NO.086000

Sd/-  
AKHIL MALHOTRA  
MANAGING DIRECTOR

Sd/-  
RAJINDER KUMAR  
WHOLE TIME DIRECTOR

Place : Ludhiana  
Dated : 28-05-2013

Sd/-  
MUKESH VERMA  
COMPANY SECRETARY

Sd/-  
ASHWANI KUMAR  
GM-F&A



# HIMACHAL FIBRES LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	NOTE NO	AS AT 31.03.2013	AS AT 31.03.2012
<b>REVENUES</b>			
REVENUE FROM OPERATIONS	XVII	1209546722.70	1036068033.00
OTHER INCOME	XVIII	4474552.13	2419542.84
<b>TOTAL REVENUE</b>		1214021274.83	1038487575.84
<b>EXPENSES:</b>			
COST OF MATERIALS CONSUMED	XIX	566377279.14	493985369.45
PURCHASE OF STOCK-IN-TRADE		419276314.00	349394444.00
MANUFACTURING EXPENSES	XX	54756189.53	59501945.01
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	XXI	7439945.00	(53924429.37)
EMPLOYEE BENEFIT EXPENSE	XXII	59574849.00	66241857.96
FINANCIAL COSTS	XXIII	47523366.02	49863818.50
DEPRECIATION AND AMORTIZATION EXPENSE		26969685.00	25605290.00
OTHER EXPENSES	XXIV	16753434.45	25288121.05
<b>TOTAL EXPENSES</b>		1198671062.14	1015956416.60
PROFIT BEFORE TAX (VII - VIII)		15350212.69	22531159.24
TAX EXPENSE:			
(1) CURRENT TAX		3300000.00	4620000.00
(2) DEFERRED TAX		5459611.00	4969669.00
— PROFIT AFTER TAX		6590601.69	12941490.24
EARNING PER EQUITY SHARE:			
BASIC AND DILUTED		0.22	1.28

### ACCOUNTING POLICIES AND NOTES XXV

#### TO ACCOUNTS

AS PER REPORT OF EVEN DATE ATTACHED  
**FOR SUMAT GUPTA & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REG.NO.010288N**

ON OR BEHALF OF THE BOARD

Sd/-  
**SUMAT GUPTA**  
**PARTNER**  
**M.NO.086000**

Sd/-  
**AKHIL MALHOTRA**  
**MANAGING DIRECTOR**

Sd/-  
**RAJINDER KUMAR**  
**WHOLE TIME DIRECTOR**

Place : Ludhiana  
Dated : 28-05-2013

Sd/-  
**MUKESH VERMA**  
**COMPANY SECRETARY**

Sd/-  
**ASHWANI KUMAR**  
**GM-F&A**



**CASH FLOW STATEMENT FOR THE YEAR 31ST MARCH 2013**

PARTICULARS	AMOUNT (RS.)	
	AS AT 31.03.2013	AS AT 31.03.2012
<b>A. CASH FLOW FROM/USED IN OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	15350212.69	22531159.24
<b>ADJUSTMENTS FOR:</b>		
DEPRECIATION	26969685.00	25605290.00
INTEREST EXPENSES	47523366.02	49863818.50
INTEREST INCOME	(444010.05)	(235951.00)
PROFIT ON SALE OF FIXED ASSETS	(1245581.00)	0.00
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>88153672.66</b>	<b>97764316.74</b>
ADJUSTMENTS FOR:		
(INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES	(27432808.01)	(27423363.26)
(INCREASE)/DECREASE IN INVENTORIES	11165943.00	(54822952.31)
INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER LIABILITIES	(12477524.87)	(14007444.41)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>59409282.78</b>	<b>1510556.76</b>
INCOME TAX PAID	3595639.00	5097569.00
<b>NET CASH FROM/USED IN OPERATING ACTIVITIES</b>	<b>55813643.78</b>	<b>(3587012.24)</b>
<b>B. CASH FLOW FROM/USED IN INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	(18459680.08)	(35844427.09)
SALE OF FIXED ASSETS	2943878.00	0.00
INTEREST RECEIVED	444010.05	235951.00
<b>NET CASH FROM/USED IN INVESTING ACTIVITIES</b>	<b>(15071792.03)</b>	<b>(35608476.09)</b>
<b>C. CASH FLOW FROM/USED IN FINANCING ACTIVITIES</b>		
PROCEEDS FROM ISSUE OF EQUITY WARRANTS	64000000.00	37700000.00
REPAYMENT OF LONG TERM BORROWINGS	(59909276.00)	21460694.00
CHANGES IN WORKING CAPITAL LOANS/SHORT TERM BORROWINGS	3266949.47	25575796.00
INTEREST PAID	(47523366.02)	(49863818.50)
<b>NET CASH FROM/USED IN FINANCING ACTIVITIES</b>	<b>(40165692.55)</b>	<b>34872671.50</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVLANTS	576159.20	(4322816.83)
OPENING CASH AND CASH EQUIVLANTS	4109787.25	8432604.08
CLOSING CASH AND CASH EQUIVLANTS	4685946.45	4109787.25
<b>ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>	<b>XIX</b>	

AS PER REPORT OF EVEN DATE ATTACHED  
**FOR SUMAT GUPTA & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REG.NO.010288N**

ON OR BEHALF OF THE BOARD

Sd/-  
**SUMAT GUPTA**  
**PARTNER**  
**M.NO.086000**

Sd/-  
**AKHIL MALHOTRA**  
**MANAGING DIRECTOR**

Sd/-  
**RAJINDER KUMAR**  
**WHOLE TIME DIRECTOR**

Place : Ludhiana  
Dated : 28-05-2013

Sd/-  
**MUKESH VERMA**  
**COMPANY SECRETARY**

Sd/-  
**ASHWANI KUMAR**  
**GM-F&A**





# HIMACHAL FIBRES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS	AMOUNT (IN RS.)	
	AS AT 31.03.2013	AS AT 31.03.2012
<b>SHARE CAPITAL</b>		
<b>NOTE-I</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
1,75,00,000 EQUITY SHARES OF RS. 10/- EACH	175000000.00	175000000.00
1,65,000 16.5% CUMULATIVE REDEEMABLE PREFERENCE SHARES OF RS. 100/- EACH	16500000.00	16500000.00
14,35,000 4% NON-CUMMULATIVE REDEEMABLE PREFERENCE SHARES OF RS. 100/- EACH	143500000.00	143500000.00
<b>TOTAL</b>	<b>335000000.00</b>	<b>335000000.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</b>		
86,25,000 (PY 46,25,000) EQUITY SHARES OF RS.10/-EACH FULLY PAID UP	86250000.00	46250000.00
1,50,000 (PY 1,50,000) 16.5% CUMMULATIVE REDEEMABLE PREFERENCE SHARES OF RS. 100/- EACH	15000000.00	15000000.00
12,00,000 (PY 12,00,000) 4% NON-CUMMULATIVE REDEEMABLE PREFERENCE SHARE OF RS. 100/- EACH	120000000.00	120000000.00
<b>TOTAL</b>	<b>221250000.00</b>	<b>181250000.00</b>

### (A) (i) DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES

	%	NO. OF SHARES	%	NO. OF SHARES
SH. AKHIL MALHOTRA (PROMOTER DIRECTOR)	3.60%	310000	6.70%	310000
BALMUKHI TEXTILE P LTD	15.28%	1318050	0.00%	0
BRIJESHWARI TEXTILES P LTD	15.28%	1318050	0.00%	0
SHIVA SPINFAB P LTD	15.86%	1368050	0.00%	0
HIMACHAL STEEL UDYOG LTD.	9.84%	848675	14.70%	680000
SHIV NARAYAN INVESTMENTS P. LTD.	11.59%	999975	14.49%	670000
GARG CORPORATION LTD.	6.97%	601000	13.00%	601000
GARG FINCAP LTD.	7.79%	671500	14.52%	671500
<b>TOTAL</b>	<b>86.21%</b>	<b>7435300</b>	<b>63.41%</b>	<b>2932500</b>

### (ii) DETAIL OF SHAREHOLDING MORE THAN 5% 16.5% CUMMULATIVE REDEEMABLE PREFERENCE SHARES

	%	NO. OF SHARES	%	NO. OF SHARES
SHIVA TEXFABS LTD	66.67%	100000	66.67%	100000
GENERAL INSURANCE CORP OF INDIA	10.00%	15000	10.00%	15000
ORINETAL INSURANCE CO LTD	13.33%	20000	13.33%	20000
UNITED INDIA INSURANCE CO LTD	10.00%	15000	10.00%	15000
<b>TOTAL</b>	<b>100.00%</b>	<b>150000</b>	<b>100.00%</b>	<b>150000</b>

### (iii) DETAIL OF SHAREHOLDING MORE THAN 5% 4% NON-CUMMULATIVE REDEEMABLE PREFERENCE SHARES

	%	NO. OF SHARES	%	NO. OF SHARES
SHIVA TEXFAB LIMITED	100.00	1200000	100.00	1200000
<b>TOTAL</b>	<b>100.00</b>	<b>1200000</b>	<b>100.00</b>	<b>1200000</b>



# HIMACHAL FIBRES LIMITED

	%	NO. OF SHARES	%	NO. OF SHARES
<b>(B) RECONCILIATION OF NO. OF SHARES OUTSTANDING IS SET AS BELOW :</b>				
EQUITY SHARES AT THE BEGINNING OF THE YEAR		4625000		3505000
ADD : EQUITY SHARES ISSUED DURING THE YEAR		<u>4000000</u>		<u>1120000</u>
EQUITY SHARES AT THE END OF THE YEAR		8625000		4625000
<b>(II) 16.5% CUMMULATIVE REDEEMABLE PREFERENCE SHARE CAPITAL (EACH OF FACE VALUE 100/-)</b>				
PREFERENCE SHARES AT THE BEGINNING OF THE YEAR		150000		165000
ADD : SHARES ISSUED DURING THE YEAR		<u>0</u>		<u>0</u>
		150000		165000
LESS: SHARES REDEEMED DURING THE YEAR				<u>15000</u>
PREFERENCE SHARES AT THE END OF THE YEAR		150000		150000
<b>(III) 4% NON - CUMMULATIVE REDEEMABLE PREFERENCE SHARE CAPITAL (EACH OF FACE VALUE 100/-)</b>				
PREFERENCE SHARES AT THE BEGINNING OF THE YEAR		1200000		1200000
ADD : SHARES ISSUED DURING THE YEAR		<u>0</u>		<u>0</u>
PREFERENCE SHARES AT THE END OF THE YEAR		1200000		1200000

PARTICULARS	AMOUNT (IN RS.)	
	AS AT 31.03.2013	AS AT 31.03.2012

## NOTE-II

### RESERVE & SURPLUS

<b>CAPITAL REDEMPTION RESERVE</b>		16489070.00		16489070.00
<b>CAPITAL RESERVE</b>				
OPENING BALANCE	177493476.00		176293476.00	
ADDITIONS DURING THE YEAR	<u>0.00</u>	177493476.00	<u>1200000.00</u>	177493476.00
<b>PROFIT &amp; LOSS ACCOUNT</b>				
OPENING BALANCE (PROFIT / (LOSS))	(166765427.45)		(179229348.69)	
ADD: PROFIT / (LOSS) DURING THE YEAR	<u>6590601.69</u>		<u>12941490.24</u>	
	(160174825.76)		(166287858.45)	
LESS : INCOME TAX FOR EARLIER YEARS	<u>295639.00</u>		<u>477569.00</u>	
CLOSING BALANCE (PROFIT / (LOSS))	(160470464.76)		(166765427.45)	
<b>SHARE PREMIUM ACCOUNT</b>				
OPENING BALANCE	28000000.00		0.00	
ADD: ADDITIONS DURING THE YEAR	<u>24000000.00</u>		<u>28000000.00</u>	
CLOSING BALANCE	52000000.00		28000000.00	
<b>TOTAL</b>		<u><u>85512081.24</u></u>		<u><u>55217118.55</u></u>



# HIMACHAL FIBRES LIMITED

PARTICULARS	AMOUNT (IN RS.)	
	AS AT 31.03.2013	AS AT 31.03.2012
<b>LONG TERM BORROWING</b>		
<b>NOTE-III</b>		
<b>SECURED LOANS</b>		
<b>TERM LOANS (FROM BANKS) (SEE NOTE BELOW)</b>		
STATE BANK OF INDIA (TERM LOAN - I)	5625000.00	11401027.00
STATE BANK OF INDIA (TERM LOAN - II)	38842000.00	47108249.00
<b>TOTAL</b>	<b>44467000.00</b>	<b>58509276.00</b>
LESS: INSTALLMENTS DUE WITHIN 12 MONTHS	19335000.00	18468000.00
	25132000.00	40041276.00
<b>UNSECURED LOANS</b>		
BALMUKHI TEXTILE P LTD	55000000.00	80000000.00
BRIJESHWAR TEXTILE PVT LTD	55000000.00	75000000.00
<b>TOTAL</b>	<b>135132000.00</b>	<b>195041276.00</b>
(A) TERM LOANS (I & II) FROM STATE BANK OF INDIA ARE SECURED AGAINST 1ST CHARGE ON ENTIRE FIXED ASSETS OF THE COMPANY (INCL. EM OF LEASEHOLD RIGHTS OF FACTORY LAND MEASURING 81612 SQ. MTRS. ON PLOT NO. 43-44, INDUSTRIAL AREA, BAROTIWALA (H.P.).)		
(B) THESE TERM LOANS ARE FURTHER COLLATERALLY SECURED BY 2ND CHARGE ON ENTIRE CURRENT ASSETS OF THE COMPANY.		
(C) TERM LOAN - I IS REPAYABLE IN TOTAL 24 QUARTERLY INSTALLMENTS OF RS. 18.75 LACS EACH BEGINNING FROM DECEMBER, 2007.		
(D) TERM LOAN - II IS REPAYABLE IN TOTAL 23 QUARTERLY INSTALLMENTS STARTING FROM DECEMBER 2010 OF RS.10.72 LACS AND BALANCE IN 17 QUARTERLY INSTALLMENTS OF RS.27.42 LACS.		
<b>OTHER LONG TERM LIABILITIES</b>		
<b>NOTE-IV</b>		
CREDITORS AGSNT CAPITAL GOODS	0.00	1127751.00
<b>TOTAL</b>	<b>0.00</b>	<b>1127751.00</b>
<b>SHORT TERM BORROWINGS</b>		
<b>NOTE-V</b>		
STATE BANK OF INDIA (WORKING CAPITAL LIMITS)	225867157.47	222600208.00
<b>TOTAL</b>	<b>225867157.47</b>	<b>222600208.00</b>
(A) WORKING CAPITAL LIMITS ARE SECURED AGAINST 1ST CHARGE ON ENTIRE CURRENT ASSETS OF THE COMPANY .		
(B) THESE ARE FURTHER SECURED BY 2ND CHARGE ON ENTIRE FIXED ASSETS OF THE COMPANY AND PERSONAL GURANTEE OF PROMOTER DIRECTORS OF THE COMPANY NAMELY SH. AKHIL MALHOTRA AND SH. RAJINDER KUMAR.		
<b>TRADE PAYABLES</b>		
<b>NOTE-VI</b>		
ILC PAYABLE	24962449.00	24848285.00
SUNDRY CREDITORS	19989661.88	29962348.09
<b>TOTAL</b>	<b>44952110.88</b>	<b>54810633.09</b>



# HIMACHAL FIBRES LIMITED

PARTICULARS	AMOUNT (IN RS.)	
	AS AT 31.03.2013	AS AT 31.03.2012
<b>OTHER CURRENT LIABILITIES</b>		
<b>NOTE-VII</b>		
ADVANCE FROM CUSTOMERS	479748.00	82777.97
OTHER LIABILITIES	14909488.41	16344710.10
TERM LOANS INSTALLMENTS (REPAYABLE WITHIN 12 MONTHS)	19335000.00	18468000.00
<b>TOTAL</b>	<b><u>34724236.41</u></b>	<b><u>34895488.07</u></b>
<b>SHORT TERM PROVISIONS</b>		
<b>NOTE-VIII</b>		
PROVISION FOR INCOME TAX	3300000.00	4620000.00
PROVISION FOR FBT	103040.00	103040.00
<b>TOTAL</b>	<b><u>3403040.00</u></b>	<b><u>4723040.00</u></b>



DEPRECIATION CHART FOR THE PERIOD 01/04/2012 TO 31/03/2013

NOTE : IX

PARTICULARS	Rate of dep (%)	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS AT 01/04/2012	ADDITION	SALE / TFD.	TOTAL AS ON 31/03/2013	AS AT 01/04/2012	ADJUSTMENT	PROVIDED DURING THE PERIOD	TOTAL AS ON 31/03/2013	WDV AS ON 31/03/2013	WDV AS ON 31/03/2012
<b>AT WORKS</b>											
FREE HOLD LAND	0.00	82239.00	0.00	0.00	82239.00	0.00	0.00	0.00	0.00	82239.00	82239.00
LEASEHOLD LAND	0.00	1294222.00	0.00	0.00	1294222.00	235659.00	0.00	0.00	235659.00	1058563.00	1058563.00
BUILDING	3.34	128760022.83	1557295.00	0.00	130317317.83	31216159.00	0.00	4317970.00	35534129.00	94783188.83	97543863.83
PLANT & MACHINERY	5.28	415842356.02	17863281.08	6033200.00	427672437.10	242837304.00	4334903.00	22098650.00	260601051.00	167071386.10	173005052.02
FURNITURE & FIXTURE	6.33	1811293.75	0.00	0.00	1811293.75	1212975.00	0.00	114655.00	1327630.00	483663.75	598318.75
OFFICE EQUIPMENTS											
— AT WORKS	4.75	629322.00	0.00	0.00	629322.00	338525.00	0.00	29893.00	368418.00	260904.00	290797.00
— COMPUTERS	16.21	791815.00	56896.00	0.00	848711.00	397707.00	0.00	136875.00	534582.00	314129.00	394108.00
— MOBILE PHONES	4.75	34718.00	0.00	0.00	34718.00	5899.00	0.00	1649.00	7548.00	27170.00	28819.00
ELECTRIC FITTINGS	4.75	378158.00	0.00	0.00	378158.00	378158.00	0.00	0.00	378158.00	0.00	0.00
VEHICLE	25.89	3247362.00	0.00	0.00	3247362.00	2538238.00	0.00	182958.00	2721196.00	526166.00	709124.00
WEIGHING MACHINE	4.75	24285.00	0.00	0.00	24285.00	1118.00	0.00	1154.00	2272.00	22013.00	23167.00
TUBE WELL	2.00	324815.00	0.00	0.00	324815.00	94721.00	0.00	6496.00	101217.00	223598.00	230094.00
<b>AT LUDHIANA OFFICE</b>											
COMPUTER	16.21	463585.00	0.00	0.00	463585.00	2922255.00	0.00	75147.00	367402.00	96183.00	171330.00
MOBILE PHONES	4.75	39100.00	0.00	0.00	39100.00	5839.00	0.00	1857.00	7696.00	31404.00	33261.00
OFFICE EQUIPMENT AT LDH	4.75	42526.00	0.00	0.00	42526.00	3764.00	0.00	2020.00	5784.00	36742.00	38762.00
<b>AT DELHI OFFICE</b>											
MOBILE PHONE	4.75	7599.00	0.00	0.00	7599.00	1447.00	0.00	361.00	1808.00	5791.00	6152.00
<b>TOTAL</b>		<b>553773418.60</b>	<b>19477472.08</b>	<b>6033200.00</b>	<b>567217690.68</b>	<b>279559768.00</b>	<b>4334903.00</b>	<b>26969685.00</b>	<b>302194550.00</b>	<b>265023140.68</b>	<b>274213650.60</b>
<b>PREVIOUS PERIOD</b>		<b>518946783.51</b>	<b>34826635.09</b>	<b>0.00</b>	<b>553773418.60</b>	<b>253954478.00</b>	<b>0.00</b>	<b>25605290.00</b>	<b>279559768.00</b>	<b>274213650.60</b>	<b>264992305.51</b>



# HIMACHAL FIBRES LIMITED

PARTICULARS	AMOUNT (IN RS.)	
	AS AT 31.03.2013	AS AT 31.03.2012
<b>LONG TERM LOANS &amp; ADVANCES</b>		
<b>NOTE-X</b>		
ADVANCE TO SUPPLIERS -CAPITAL GOODS	17997981.48	18325288.20
<b>TOTAL</b>	<b>17997981.48</b>	<b>18325288.20</b>
<b>OTHER NON CURRENT ASSETS</b>		
<b>NOTE- XI</b>		
SECURITIES	2165000.00	2165000.00
<b>TOTAL</b>	<b>2165000.00</b>	<b>2165000.00</b>
<b>INVENTORY</b>		
<b>NOTE-XII</b>		
RAW MATERIAL	22593786.00	27469676.00
WORK IN PROGRESS	30466400.00	25149502.00
STOCK IN TRADE	103367156.00	104353035.00
FINISHED GOODS	133797059.00	145568023.00
STORES & SPARES	7073145.00	5923253.00
<b>TOTAL</b>	<b>297297546.00</b>	<b>308463489.00</b>
<b>TRADE RECEIVABLES</b>		
<b>NOTE-XIII</b>		
(UNSECURED AND CONSIDERED GOOD UNLESS OTHERWISE STATED)		
OUTSTANDING MORE THAN SIX MONTHS	33550043.19	8695156.10
OTHERS	102147424.65	98834482.00
<b>TOTAL</b>	<b>135697467.84</b>	<b>107529638.10</b>
<b>CASH AND BANK BALANCES</b>		
<b>NOTE-XIV</b>		
A) CASH IN HAND	1688411.04	776157.85
<b>B) BALANCES WITH NOTED BANKS IN</b>		
—CURRENT ACCOUNTS	178554.41	180546.40
— FIXED DEPOSIT WITH BANKS	2818981.00	3153083.00
<b>TOTAL</b>	<b>4685946.45</b>	<b>4109787.25</b>
<b>SHORT TERM LOAN &amp; ADVANCES</b>		
<b>NOTE-XV</b>		
ADVANCE RECOVERABLE IN CASH OR IN KIND	8956257.10	10324941.00
ADVANCES TO SUPPLIER	2103866.45	1509162.54
<b>TOTAL</b>	<b>11060123.55</b>	<b>11834103.54</b>





# HIMACHAL FIBRES LIMITED

PARTICULARS	AMOUNT (IN RS.)	
	AS AT 31.03.2013	AS AT 31.03.2012
<b>OTHER CURRENT ASSETS</b>		
<b>NOTE-XVI</b>		
ASSETS AGAINST LEASE	0.00	999773.00
FIXED DEPOSITS (BANK GURANATEE)	2837591.00	1471553.02
<b>TOTAL</b>	<b><u>2837591.00</u></b>	<b><u>2471326.02</u></b>
<b>REVENUES FROM OPERATION</b>		
<b>NOTE-XVII</b>		
SALES	1209546722.70	1036068033.00
<b>TOTAL</b>	<b><u>1209546722.70</u></b>	<b><u>1036068033.00</u></b>
<b>OTHER INCOME</b>		
<b>NOTE-XVIII</b>		
INTEREST RECEIVED	444010.05	235951.00
REBATE RECEIVED	2784961.08	2183591.84
PROFIT ON SALE OF ASSETS (MACHINERY)	1245581.00	0.00
<b>TOTAL</b>	<b><u>4474552.13</u></b>	<b><u>2419542.84</u></b>
<b>COST OF RAW MATERIAL CONSUMED</b>		
<b>NOTE-XIX</b>		
OPENING STOCK	27469676.00	25945211.06
ADD: PURCHASES	561501389.14	495509834.39
<b>TOTAL</b>	<b><u>588971065.14</u></b>	<b><u>521455045.45</u></b>
CLOSING STOCK	22593786.00	27469676.00
<b>RAW MATERIAL CONSUMED</b>	<b><u>566377279.14</u></b>	<b><u>493985369.45</u></b>
<b>MANUFACTURING EXPENSES</b>		
<b>NOTE-XX</b>		
POWER & ELECTRICITY	36339239.00	38467966.00
FUEL CONSUMED	9160894.00	10021240.12
OIL & LUBRICANT	1648372.10	3769829.30
STORE & SPARES CONSUMED	3095473.82	3120556.59
FREIGHT & CARTAGE INWARD	3512437.61	3122583.00
LEASE RENT MACHINERY	999773.00	999770.00
<b>TOTAL</b>	<b><u>54756189.53</u></b>	<b><u>59501945.01</u></b>



# HIMACHAL FIBRES LIMITED

PARTICULARS	AMOUNT (IN RS.)	
	AS AT 31.03.2013	AS AT 31.03.2012
<b>INCREASE/ (DECREASE IN STOCKS)</b>		
<b>NOTE-XXI</b>		
<b>CLOSING STOCK</b>		
FINISHED GOODS	131621376.00	144797498.00
STOCK IN TRADE	103367156.00	104353035.00
WORK IN PROGRESS	30466400.00	25149502.00
WASTE	2175683.00	770525.00
<b>TOTAL (A)</b>	<b><u>267630615.00</u></b>	<b><u>275070560.00</u></b>
<b>OPENING STOCK</b>		
FINISHED GOODS	144797498.00	91654423.43
STOCK IN TRADE	104353035.00	97881417.20
WORK IN PROGRESS	25149502.00	30639118.00
WASTE	770525.00	971172.00
<b>TOTAL (B)</b>	<b><u>275070560.00</u></b>	<b><u>221146130.63</u></b>
<b>INCREASE/ (DECREASE IN STOCK) (A-B)</b>	<b><u>(7439945.00)</u></b>	<b><u>53924429.37</u></b>
<b>EMPLOYEE BENEFIT EXPENSES</b>		
<b>NOTE-XXII</b>		
WAGE/STIPEND/SALARIES AND ALLOWANCES	52294968.00	56950176.96
STAFF WELFARE	1726956.00	3276982.00
BONUS	1630858.00	1783960.00
CONTRIBUTION TO EPF & FPF	2159213.00	2288266.00
CONTRIBUTION TO ESI	1035967.00	1126739.00
LEAVE WITH WAGES	571085.00	748659.00
GRATUITY	76811.00	0.00
RECRUITMENT EXPENSES	78991.00	67075.00
<b>TOTAL</b>	<b><u>59574849.00</u></b>	<b><u>66241857.96</u></b>
<b>FINANCIAL EXPENSES</b>		
<b>NOTE-XXIII</b>		
BANK INTEREST	40324543.00	40438904.00
OTHER INTEREST	2424552.00	6199118.00
BANK CHARGES	4774271.02	3223131.50
HIRE CHARGES	0.00	2665.00
	<b><u>47523366.02</u></b>	<b><u>49863818.50</u></b>



# HIMACHAL FIBRES LIMITED

PARTICULARS	AMOUNT (IN RS.)	
	AS AT 31.03.2013	AS AT 31.03.2012
<b>OTHER EXPENSES</b>		
<b>NOTE-XXIV</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
REMUNERATION OF AUDITORS	224720.00	224720.00
BOARD MEETING FEE & EXP	70000.00	57310.00
COMPUTER EXPENSES	57348.00	106881.00
CONVEYENCE EXPENSES	1030.00	4229.00
FEEES, SUBSCRIPTION AND TAXES	141455.00	638360.00
FESTIVAL/WORSHIP EXPENSES	244343.00	238386.00
GENERAL EXPENSES	10023.00	4023.00
INSURANCE CHARGES	523679.94	629116.00
LEGAL & PROFESSIONAL CHARGES	1953851.00	2378218.00
PRINTING & STATIONARY	137945.85	311461.50
RENT	283000.00	343000.00
REPAIR AND MAINTENANCE	254799.75	1130494.50
TELEPHONE, TELEX AND POSTAGE	399791.11	437361.00
TRAVELLING EXPENSES	511741.00	389837.00
VEHICLE RUNNING & MAINTENANCE	405761.35	187486.00
	<b>5219489.00</b>	<b>7080883.00</b>
<b>SELLING EXPENSES</b>		
ADDITIONAL GOODS TAX PAID	703580.00	992716.00
ENTRY TAX	497666.00	727895.00
ADVERTISEMENT EXP.	133940.00	58361.00
COMMISSION	19635.00	0.00
FREIGHT & CARTAGE OUTWARD	6313090.55	8160183.04
PACKING & HANDLING EXPENSES	3866033.90	8268083.01
	<b>11533945.45</b>	<b>18207238.05</b>
<b>GRAND TOTAL</b>	<b>16753434.45</b>	<b>25288121.05</b>



## NOTE - XXV

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### 1. Significant Accounting Policies

##### a) Accounting Convention

The accounts are prepared on accrual basis under the Historical Cost Convention in accordance with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 and other relevant presentational requirements of the Companies Act, 1956.

##### b) Revenue Recognition

The revenue in respect of sales is recognized as and when the risk and reward in the goods is transferred to the buyer.

##### c) Borrowing Costs

Borrowing costs that are attributable to acquisition or construction of qualifying asset are capitalized as part of cost of such assets. Qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

##### d) Accounting for Taxes on Income

Provision for taxation for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent period, In respect of carry forward of losses, deferred tax assets are recognized based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

##### e) Retirement Benefits

###### -Gratuity

The company has made provision for gratuity payable as per actual calculation without actuarial valuations.

###### -Provident Fund

Contribution to provident fund is made in accordance with the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and is treated as revenue expenditure.

##### f) Fixed Assets

Fixed assets are stated at cost (net of Cenvat) less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses and interest on loan for the acquisition of assets up to the date of commissioning of assets, Loss or gain on transition of foreign currency liabilities for acquisition of fixed assets from a country outside India are added to or deducted from the cost of assets.

##### g) Depreciation

Depreciation on fixed assets is provided on straight line method in accordance with Schedule XIV to the Companies Act, 1956 except vehicles on which depreciation has been provided on written down value method. Depreciation has been calculated on prorata basis on all the assets purchased/sold during the year and also considering Company's plant as a continuous process plant.

##### h) Inventories

i) Inventories of Raw Material, Stores & Spares, Loose Tools and Finished Goods are valued at lower of cost or net realizable value. Work in Process is valued at estimated cost and waste at net realizable value.

ii) The inventories are taken as certified and valued by the management.



**i) Impairment of Assets.**

At each balance sheet date an assessment is made whether any indication exists that an assets has been impaired. If any such indication exists, an impairment loss, i.e. the amount by which the carrying amount of assets exceeds its recoverable amount is provided in the books of account.

**j) Accounting for Lease Transactions**

In respect of assets taken on lease upto 31.03.2001, the aggregate of the following is charged to Profit & Loss Account.

- i) Interest element of the lease rent paid/payable for the relevant period, and
- ii) Periodic lease charge spread over the life of the asset determined on the basis of depreciation rates specified in Schedule XIV of the Companies Act, 1956, the excess of the lease rent paid/payable over the aggregate amount charged as aforesaid is treated as prepaid lease and vice versa.

**2. Contingent liability not provided for**

(Rs. in Lacs)

Particulars	As At 31.03.2013	As At 31.03.2012
Contingent liability not provided for		
—Entry Tax with H.P. Excise and Taxation Deptt.	28.38	14.71
—Processing Fees of Dy. Director of Industries, Solan	149.16	149.16
—Overdrawal Demand and IDC Charges of HPSEB	12.24	12.24
—Demand against ED on Electricity Charges of HPSEB	4.81	4.81
—Damages under ESI	59.40	59.40
—Debtors under Protest	50.90	—
<b>Total</b>	<b>304.89</b>	<b>240.32</b>

- 3. The Company has furnished Rs.28.38 lacs (PY Rs.14.71 Lacs) as Bank Guarantee with H.P. Excise and Taxation Department under protest for Entry Tax. The matter is still pending with Hon'ble High Court of H.P. Shimla.
- 4. Managerial Remuneration of to Rs. 19.81 Lacs has been paid to Sh. Akhil Malhotra, Managing Director and Sh. P.P.Thukral, Director of the Company during the period under review (Previous Year Rs.19.03 Lacs) which is as per provisions of section 198 and 309 of the Companies Act 1956.
- 5. The Company has no information about the parties who has registered themselves under Micro, Small and Medium Enterprises Development Act, 2006.
- 6. The earnings per share (EPS) disclosed in the profit and loss account have been calculated as under:-

**Basic earning per share**

Particulars	As At 31.03.2013	As At 31.03.2012
Profit/(Loss) attributable to equity shareholders (Rs. In Lacs) (A)	65.91	129.41
Less: Preference Dividend for the year	48.00*	72.75
Earnings Attributable to Equity shareholders	17.91	56.67
Weighted average number of equity shares (Nos) (B)	7958333	4419973
Earning per shares (Rs per shars) (face value of Rs. 10 each (A)/(B)	0.23	1.28
Diluted earning per share	0.23	1.28

\*As per the rehabilitation scheme sanctioned by the Hon'ble BIFR, the company have to redeem 1,65,000 16.5% Redeemable Preference Shares of Rs. 100 each at 20% of its face value and without payment of dividend. Therefore No Dividend has been assumed on said redeemable preference shares while calculating EPS.



## 7. Deferred Taxation

The disclosure requirements as per the Accounting Standards (AS-22) on 'Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India is as under:-

Net Deferred Tax Liability as on 31st March, 2013 has been recognized by applying the tax rate applicable for the current financial year as under:-

Sr. No.	Particulars	Deferred Tax (Rs.)	
		Debit	Credit
1.	Deferred Tax Assets as on 01.04.2012	19535440/-	—
2.	Deferred Tax Liability recognized during the year due to timing difference between depreciation as per Income Tax Act, 1961 & as per books of account for the year 2012-13	—	5459611/-
3.	Net Deferred Tax assets as on 31.03.2013	14075829/-	—

10. (i) The related party disclosures as per Accounting Standard-18 issued by The Institute of Chartered Accountants of India are as under:-

### I. Enterprises under the common control as the company

- M/s Shiva Textfab Limited
- M/s Shiva Speciality Yarns Ltd
- M/s Yogindera Worsted Limited
- M/s Shiva Spin-N-Knit Ltd
- M/s K.K.Fibres Ltd.
- M/s Balmukhi Textiles Pvt Ltd.
- M/s Brijeshwari Textiles Pvt Ltd
- M/s Metro Synthetics (Proprietorship concern of Sh. Rajinder Kumar)

### II. Key Management Persons

- Sh. Akhil Malhotra
- Sh. Rajinder Kumar
- Sh. Daljeet Singh Rana
- Sh. Prem Parkash Thukral





## HIMACHAL FIBRES LIMITED

- (ii) Disclosure of transactions between the company and related parties during the year and outstanding balances as on March 31, 2013.

(Rs. in Lacs)

Particulars	Enterprises that are under common control as the company		Key management personnel	
	As At 31.03.2013	As At 31.03.2012	As At 31.03.2013	As At 31.03.2012
Commission on Consignment Sale	Nil	Nil	Nil	Nil
Purchases	5654.64	2244.07	Nil	Nil
Sales (Including Jobwork Income)	2909.123	2802.03	Nil	Nil
Unsecured Loans Taken/(repaid)	(450.00)	400.00	Nil	Nil
Director Sitting fees	Nil	Nil	0.70	0.40
Rent Paid	Nil	Nil	1.43	1.30
Remuneration	Nil	Nil	19.81	19.03

11. In the opinion of the management, all current assets, loan and advances their value if realized in the ordinary course of business, at least to the amount at which they are stated except expressly stated otherwise.
12. Balance of Sundry Debtors, Sundry Creditors and Loans and Advances are subject to confirmation and reconciliation.
13. **Payment to Auditors:-**

(Rs. in Lacs)

Particulars	As At 31.03.2013	As At 31.03.2012
Audit Fees	1.12	1.12
Tax Audit Fees	1.12	1.12
<b>Total</b>	<b>2.24</b>	<b>2.24</b>

14. As per the rehabilitation scheme sanctioned by the Hon'ble BIFR, the company shall redeem 1,65,000 16.5% Redeemable Preference Shares of Rs.100 each at 20% of its face value within period of two years starting from Financial Year 2010-11 towards full and final settlement and accumulated dividend of past years shall not be paid. Out of it 1,50,000 16.5% Redeemable Preference Shareholders has not approached the company for redemption of the same.
15. The company has only one segment "Cotton and Blended Yarn", so the disclosure requirements in accordance with guiding principles enunciated in Accounting Standard-17 "Segment Reporting", are not applicable.



## HIMACHAL FIBRES LIMITED

16. The figures of the previous year have been rearranged/ regrouped, wherever necessary to facilitate comparison.

**FOR SUMAT GUPTA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG.NO.010288N**

ON OR BEHALF OF THE BOARD

**Sd/-  
SUMAT GUPTA  
PARTNER  
M.NO.086000**

**Sd/-  
AKHIL MALHOTRA  
MANAGING DIRECTOR**

**Sd/-  
RAJINDER KUMAR  
WHOLE TIME DIRECTOR**

**Place : Ludhiana  
Dated : 28-05-2013**

**Sd/-  
MUKESH VERMA  
COMPANY SECRETARY**

**Sd/-  
ASHWANI KUMAR  
GM-F&A**



# HIMACHAL FIBRES LIMITED

Regd. Office : Plot No.43-44, Industrial Area, Brotiwala, Distt. Solan-174103

## Proxy Form

Regd Folio No.

I / We.....Of.....in the district of  
.....being a member / members of the company hereby appoint  
.....Of.....in the district of  
.....as my / our proxy to vote for me / us on my / our behalf at the 32<sup>nd</sup>  
Annual General Meeting of the company to be held on Friday 27<sup>th</sup> September, 2013 at 01.00 p.m. at the Registered Office of the  
company situated at Plot No.43-44, Industrial Area, Brotiwala, Distt. Solan-174103 and at any adjournment(s) thereof.

Signed this.....Day of.....2013.

Affix  
Re. 1.00  
Revenue  
Stamp

This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the  
company, not less than 48 hours before the meeting.

# HIMACHAL FIBRES LIMITED

Regd. Office : Plot No.43-44, Industrial Area, Brotiwala, Distt. Solan-174103

## Attendance Slip

31st Annual General Meeting - Saturday, 29th September, 2012

Regd Folio No.

No of Shares Held:

I certify that I am a member / proxy for the member of the company.

I hereby record my presence at the 32<sup>nd</sup> Annual General Meeting of the company at the Registered Office of the company situated at  
Plot No.43-44, Industrial Area, Brotiwala, Distt. Solan-174103 on Friday, 27<sup>th</sup> September, 2013 at 01.00 p.m.

.....  
Name of the member / proxy  
(in BLOCK Letters)

.....  
Signature of member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting venue.

## BOOK POST



*If undelivered, please return to:*


**Himachal Fibres Limited**

SCO 1, Ground Floor, City Tower  
Model Town, Ludhiana - 141 002

FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE  
STOCK EXCHANGE

- |  |                             |
|--|-----------------------------|
| 1. Name of the company                           | HIMACHAL FIBRES LIMITED     |
| 2. Annual financial statement for the year ended | 31 <sup>st</sup> March 2013 |
| 3. Type of Audit observation                     | UNQUALIFIED                 |
| 4. Frequency observation                         | NOT APPLICABLE              |
| 5. To be signed by-                              |                             |

1. CEO/Managing Director .....  (SHRI AKHIL MALHOTRA)

2. CFO .....  (SHRI ASHWANI KUMAR)

3. Auditor of the company .....  (SUMAT GUPTA & CO.)

4. Audit Committee Chairman .....  (SHRI SUSHIL KUMAR SINGLA)