

**HIMALCHULI FOOD PRODUCTS LTD.**  
(Formerly known as SAHELI LEASING AND INDUSTRIES LTD )

2<sup>ND</sup> FLOOR, VISHWAKARMA CHAMBER, MAJURAGATE,  
SURAT.

AUDIT REPORT

FOR THE PERIOD ENDED ON

31-03-2008

**C. S. JARIWALA & CO.**

CHARTERED ACCOUNTANTS

6<sup>TH</sup> FLOOR , PRESIDENT PLAZA - 'C' BLOCK,

NEXT TO MAHAVIR CARDIAC HOSPITAL,

RING ROAD , ATHWAGATE,

SURAT- 395001,

Phone :- 3017171 3017172

**AUDITORS REPORT TO THE MEMBERS**

TO,

**THE MEMBERS OF HIMALCHULI FOOD PRODUCTS LTD.**

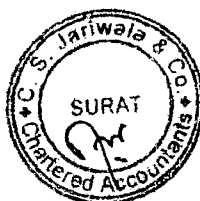
We have audited the attached Balance Sheet of **HIMALCHULI FOOD PRODUCTS LTD. formerly known as SAHEL LEASING AND INDUSTRIES LTD.** as at 31<sup>st</sup> MARCH, 2008 and also the Profit and Loss account for the period ended on that date and annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The accounts of the company have been prepared on the basis that it is a going concern. The company has accumulated losses which has been reduced due to other income received during the year. Further, the company is not engaged in trading and manufacturing activities during the year and has financial instability being working capital borrowing from banks at age long NPAs. The ability of company to continue as a going concern is dependant upon the results of the management measures to meet the contingencies and implementation of those measures, its future profitability, and its financial viability, on which we are unable to express any opinion presently.

Further to our comments in this report and **Notes -6 of Schedule - 'N'**, we state that:-

- i) 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.
- ii) 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 the books;
- iii) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with books of account;
- iv) In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors of the company and taken on record by the board of directors, we report that no director is disqualified as on March 31, 2008 from being appointed as director of the company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the Notes on Accounts and Significant Accounting Policies, give the information required by the Companies Act, 1956, in the manner so required and **subject to above**



*with their corresponding effects on the profit for the period and period end state of affairs to the extent the financial effects of such deviation thereof also give a true and fair view:-*

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008.
- b) In the case of the Profit and Loss Account, of the **PROFIT** for the period ended on that date.
- c) In the case of the Cash Flow Statement of the cash flow for the year ended on that date.

As required by the Companies (Auditors' Report) Order 2003, issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we further report that:

**1. FIXED ASSETS :**

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) All the Fixed Assets have not been physically verified by the management during the period but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- c) In our opinion, the company has not disposed of substantial part of its Fixed Assets during the period and the going concern status of the company is not affected.

**2. INVENTORIES :**

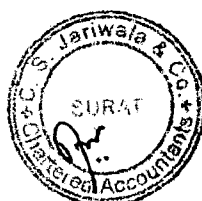
- a) As explained to us, there is no inventory during the year; hence the question of physical verification by the management at reasonable frequency during the year does not arise.

**3. In respect of loan, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956 :**

- a) The following are the particulars of loans taken by the company;

Sr. No.	Name of Party	Relation with Company	Amount Rs.	Period End Balance Rs.
1)	Deeprekha Impex Pvt. Ltd.	Company in which Directors are interested	Nil	370,000
			<b>Nil</b>	<b>370,000</b>

- b) The company has not granted any loan during the year.
- c) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and condition are not, prima facie, prejudicial to the interest of the company. The loan taken or granted by the company are interest free.
- d) As informed to us, the company is regular in repaying the principal amounts as stipulated and has been regular in the payment of Interest, wherever applicable. The parties have repaid the principal amounts



as stipulated and have been regular in the payment of interest, wherever applicable.

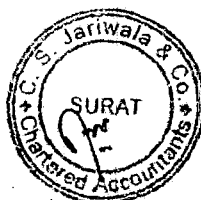
- e) These loans taken or granted by the company are repayable on demand and mostly interest free and therefore, the question of overdue amounts does not arise.

**4. INTERNAL CONTROL:**

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 fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls.

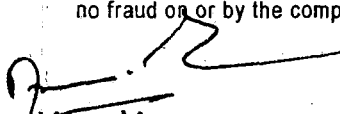
**5. IN RESPECT OF TRANSACTIONS COVERED U/S. 301 OF THE COMPANIES ACT, 1956:**

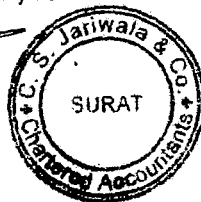
- a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of Five Lacs Rupees in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has accepted deposits in nature of current account transaction loan from corporate bodies and shareholders and directors and friends of the directors during the period and consequently, to that extent, the provisions of section 58A and 58AA of the Companies Act, 1956 and rules framed there under are in our opinion applicable. Such referred Deposits have been accepted in compliance with the provisions of section 58A & 58AA and rules framed there under.
7. In our opinion, the company has neither formal internal audit system nor the works was entrusted to an outside agency as such but its control procedures ensure reasonable commensurate with the size and nature of its business.
8. The central government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
- 9. IN RESPECT OF STATUTORY DUES :**
- a) In our opinion and according to the records of the company, the company has no liabilities of Provident Fund & ESI.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, custom duty and excise duty were outstanding, as at 31-03-2008 for a period of more than six months from the date they became payable.
- c) According to the records of the company, there are no dues of sale-tax, income-tax, customs-tax / wealth-tax, excise duty / cess which have not been deposited on account of any dispute.
10. The company has accumulated losses at the end of the financial period and such loss are more than 50% of its net worth shown in the end of financial statements. Further, the company has incurred profit of Rs.0.99



lacs during the Financial Period covered by our audit. The company has not incurred any cash losses in the the current financial year and immediately preceding Financial Period.

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has defaulted in repayment of dues to banks. The cash credit facility of Union Bank of India, Udhna Branch, Surat, of Rs. 27.25 lacs (at balance sheet value excluding overdue interest) became non-performing asset since 01-04-1998.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanation given to us, the nature of activities of the company does not attract special statute applicable to chit fund and nidhi / mutual / benefit fund/ societies.
14. The company has not undertaken any dealing / trading in shares, securities, debentures or other investments during the period. However, the company purchases investments with a view to hold such investments and earn income from dividend or interest thereon or with intension of strategic stack in sister concerns. In our opinion, this clause of CARO is not applicable to such investments of the company.
15. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks.
16. The company has not raised any term loan during the year.
17. According to the information and explanation given to us and on overall examination of the balance sheet of the company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.
18. During the Period, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. During the period covered by our audit report, the company has not issued any debentures.
20. The company has not raised any money by way of public issue during the period.
21. Based upon the audit procedures and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

  
For and on behalf of  
C. S. JARIWALA & CO  
Chartered Accountants  
ANUJ C. JARIWALA - PARTNER  
Membership No. 109919  
SURAT - June 17, 2008.



**HIMALCHULI FOOD PRODUCTS LIMITED**  
(formerly known as SAHELI LEASING AND INDUSTRIES LIMITED)

**BALANCE SHEET AS AT MARCH 31, 2008**

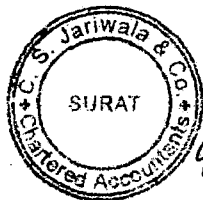
<b>PARTICULARS:</b>	<b>Schedule</b>	<b>31-Mar-2008</b>	<b>31-Mar-2007</b>
<b>SOURCE OF FUND :</b>			
<b>1. SHARE HOLDERS FUNDS :</b>			
a. Share Capital	A	19,000,000	19,000,000
b. Reserve & Surplus	B	1,539,456	1,539,456
<b>DEFERRED TAX LIABILITIES:</b>		0	0
<b>2. LOAN FUNDS :</b>			
a. Secured Loans	C	2,724,668	3,130,487
b. Unsecured Loans	D	653,465	370,000
		<b>23,917,589</b>	<b>24,039,943</b>
<b>APPLICATION OF FUNDS :</b>			
<b>1. FIXED ASSETS :</b>	E		
a. Gross Block		1,078,532	1,458,432
b. Depreciation		799,070	817,290
c. Net Block		279,462	641,142
<b>2. INVESTMENTS</b>	F	1,035,530	1,077,885
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a. Sundry Debtors	G	597,588	139,588
b. Cash & Bank Balances	H	241,251	204,969
c. Loans & Advances	I	38,808	173,753
Sub Total (A)		877,647	518,310
<b>CURRENT LIABILITIES &amp; PROVISIONS :</b>			
a. Liabilities	J	195,969	225,880
b. Provisions for Taxation		0	0
Sub Total (B)		195,969	225,880
<b>NET CURRENT ASSETS (A - B)</b>		681,678	292,430
<b>4. PROFIT &amp; LOSS ACCOUNT</b>		21,920,919	22,028,486
<b>5. Miscellaneous expenditures</b> (to the extent not written of or adjusted)		0	0
		<b>23,917,589</b>	<b>24,039,943</b>
Significant Accounting Policies/Notes on Account	N		

The Schedules referred to above form a part of the Balance Sheet

As per report of even date.

**C. S. JARIWALA & CO.**  
Chartered Accountants

(ANUJ C. JARIWALA - PARTNER)



**HIMALCHULI FOOD PRODUCTS LIMITED**

DIRECTOR

DIRECTOR

DIRECTOR

SURAT. 17 June 2008.

**HIMALCHULI FOOD PRODUCTS LIMITED**  
(formerly known as SAHELI LEASING AND INDUSTRIES LIMITED)

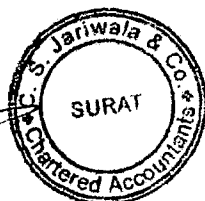
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2008**

<b>PARTICULARS:</b>	<b>Schedule</b>	<b>31-Mar-2008</b>	<b>31-Mar-2007</b>
<b>I. INCOME :</b>			
Other Income	K	112,624	1,862,390
<b>TOTAL (A)</b>		<b>112,624</b>	<b>1,862,390</b>
<b>II. EXPENDITURE :</b>			
Operating and other Expenses	L	67,843	238,785
<b>TOTAL (A)</b>		<b>67,843</b>	<b>238,785</b>
<b>III. Profit/(Loss) before Taxes &amp; Depreciation</b>		<b>44,781</b>	<b>1,623,605</b>
Non-cash Charges			
Depreciation		0	0
<b>IV Extra Ordinary Item</b>	M	<b>62,785</b>	<b>0</b>
<b>V. Profit before Prior Period Adjustments</b>		<b>107,566</b>	<b>1,623,605</b>
Prior Period Adjustment		0	0
<b>VI. Profit before Tax</b>		<b>107,566</b>	<b>1,623,605</b>
<b>VII. PROFIT TRANSFERRED TO PROFIT &amp; LOSS A/C.</b>		<b>107,566</b>	<b>1,623,605</b>
<b>Debit Balance brought forward from Previous Year</b>		<b>(22,028,486)</b>	<b>(23,652,091)</b>
<b>Debit Balance Carried to Balance Sheet</b>		<b>(21,920,919)</b>	<b>(22,028,486)</b>
<b>Earning Per Share</b>		<b>0.06</b>	<b>0.85</b>
<b>Dilluted Earning Per Share</b>		<b>0.06</b>	<b>0.85</b>

Significant Accounting Policies/Notes on Account N

The Schedules referred to above form a part of the Balance Sheet  
As per report of even date.

C. S. JARIWALA & CO.  
Chartered Accountants



HIMALCHULI FOOD PRODUCTS LIMITED

*[Signature]*  
(ANUJ C. JARIWALA - PARTNER)

DIRECTOR

*[Signature]*  
DIRECTOR

*[Signature]*  
DIRECTOR

SURAT. 17 June 2008.

**HIMALCHULI FOOD PRODUCTS LIMITED**  
(formerly known as SAHELI LEASING AND INDUSTRIES LIMITED)

**CASH FLOW STATEMENT AS AT MARCH 31, 2008**

<b>PARTICULARS:</b>	<b>31-Mar-2008</b>	<b>31-Mar-2007</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation	107,566	1,623,605
Less: Debenture Interest	240	315
Profit/loss on sale of assets (Extra-ordinary items)	62,785	0
Operating profit before working capital changes	44,541	1,623,290
Increase / (Decrease) in Current Liabilities	(29,911)	83,731
Increase / (Decrease) in Sundry Debtors	458,000	(301,548)
Increase / (Decrease) in Loans & Advances	(134,945)	(333,792)
<b>Cash generated from operations (A)</b>	<b>(308,425)</b>	<b>2,342,361</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Debenture Interest	240	315
Redemption of Investment	55,821	1,250
Realisation on sale of Fixed Assets	411,000	0
<b>Net cash from investing activities (B)</b>	<b>467,061</b>	<b>1,565</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in secured loans	(405,819)	(2,665,000)
Increase / (Decrease) in unsecured loans	283,465	120,000
<b>Net cash from financing activities (C)</b>	<b>(122,354)</b>	<b>(2,545,000)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>36,282</b>	<b>(201,074)</b>
<b>Opening Balance - Cash &amp; Cash Equivalents</b>	<b>204,969</b>	<b>406,043</b>
<b>Closing Balance - Cash &amp; Cash Equivalents</b>	<b>241,251</b>	<b>204,969</b>

**HIMALCHULI FOOD PRODUCTS LIMITED**

SURAT, JUNE 17, 2008

DIRECTOR

DIRECTOR

DIRECTOR

**AUDITORS' CERTIFICATE**

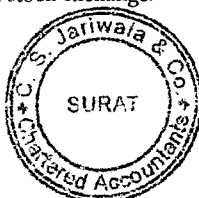
We have verified the above cash flow statement of HIMALCHULI FOOD PRODUCTS LIMITED, formerly known as SAHELI LEASING & INDUSTRIES LIMITED, derived from the audited annual financial statement for the year ended 31st March, 2008 and found the same to be drawn in accordance therewith and also with the requirement of Clause 32 of the listing agreements with stock exchange.

For and on Behalf of  
**C. S. JARIWALA & CO.**

Chartered Accountants

**ANUJ C. JARIWALA - PARTNER**

SURAT, JUNE 17, 2008.

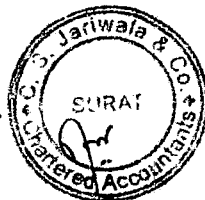




**HIMALCHULI FOOD PRODUCTS LIMITED**  
(formerly known as SAHELI LEASING AND INDUSTRIES LIMITED)

**Schedule to Balance Sheet as on 31st March, 2008**

<b>PARTICULARS:</b>	<b>31-Mar-2008</b>	<b>31-Mar-2007</b>
<b>SCHEDULE - A:</b>		
<b>SHARE CAPITAL:</b>		
<b>AUTHORISED:</b>		
7000000 (Previous Year: 7000000) Equity shares of Rs.10/- each	70,000,000	70,000,000
<b>ISSUED SUBSCRIBED &amp; FULLY PAID UP:</b>		
1900000 (Previous Year: 1900000) Equity Share of Rs. 10/- each	19,000,000	19,000,000
	<b>19,000,000</b>	<b>19,000,000</b>
<b>SCHEDULE - B:</b>		
<b>RESERVES AND SURPLUS:</b>		
General Reserve	939,456	939,456
Investment Allowance Utilisation A/c	600,000	600,000
	<b>1,539,456</b>	<b>1,539,456</b>
<b>SCHEDULE - C:</b>		
<b>SECURED LOAN:</b>		
Union Bank of India - Cash Credit (Secured against hypothecation of Capital Equipments, Plant & Machinery etc., acquired/ to be acquired for Leasing guaranteed by managing Director and other three Director of Company)	2,724,668	3,130,487
	<b>2,724,668</b>	<b>3,130,487</b>
<b>SCHEDULE - D:</b>		
<b>UNSECURED LOANS:</b>		
Short - term Loans and Advances:		
Loan from concern in which directors are interested	653,465	370,000
	<b>653,465</b>	<b>370,000</b>
<b>SCHEDULE - E:</b>		
<b>FIXED ASSETS:</b>		
As Per Attached sheet hereafter		



**HIMALCHULI FOOD PRODUCTS LIMITED**  
(formerly known as SAHELI LEASING AND INDUSTRIES LIMITED)

Schedule to Balance Sheet as on 31st March, 2008

PARTICULARS:	31-Mar-2008	31-Mar-2007
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**SCHEDULE - F :**  
**INVESTMENT :**

**A. QUOTED :- Non Trade Investments (at cost Fully paid)**

**Other Bodies Corporate/Bodies :**

500 Eq. (P.Y.500) Vitta Mazda Ltd.	5,000	5,000
4 Eq.(P.Y.4) Jindal Steel Work Ltd.	1,000	1,000
10 Eq. (P.Y.10) Steel Co. Guj. Ltd.	1,000	1,000
200 Eq. (P.Y.200) Rajratan Synthetics Ltd.	2,000	2,000
14700 Eq. (P.Y.14700) Mazdaa Textile Ind. Ltd.	147,000	147,000
60 Eq. (P.Y.60) Essar Steel Ltd.	11,000	11,000
336 Eq. (P.Y.336) Reliance Industries Ltd.	5,915	5,915
336 Eq. (P.Y.336) Reliance Natural Resources Ltd.	5,915	5,915
336 Eq. (P.Y.336) Reliance Capital Ventures Ltd.	5,915	5,915
336 Eq. (P.Y.336) Reliance Energy Ventures Ltd.	5,915	5,915
336 Eq. (P.Y.336) Reliance Communication Ventures Ltd.	5,915	5,915
100 Eq. (P.Y.100) Zenith Ltd.	6,200	6,200
100 Eq. (P.Y.100) Essar Shipping Ltd.	11,575	11,575
1000 Eq.(P.Y.1000) Magna Industries & Export Ltd.	10,000	10,000
300 Eq.(P.Y.300) Champion Cement Industries Ltd.	3,000	3,000
100 Eq. (P.Y.100) Aptech Ind. Ltd.	4,500	4,500
100 Eq. (P.Y.100) Garden Cotton & Yarn Ltd.	3,000	3,000
50 Eq. (P.Y.50) Essar Oil Ltd.	4,120	4,120
100 Eq. (P.Y.100) Wimco Ltd.	5,500	5,500
50 Deb. Part-B (P.Y. 50) Essar Oil Ltd.	2,060	2,060
50 Deb. Part-C (P.Y. 50) Essar Oil Ltd.	0	2,355
4000 Units (P.Y.4000) K-30	0	40,000
	246,530	288,885

Aggregate market value of quoted shares and debentures

Rs. (Not determined) (F.Y 2006-07 Rs.Not determined) - Refer Note I) 6 of Schedule 'N'.

**B. UN-QUOTED :- Non Trade Investments (at cost Fully paid)**

**Bodies Corporate Under the same management :**

2900 (P.Y.2900Eq.Share) Equity Shares of Saheli Vastra Udyog Ltd.	29,000	29,000
60000 (P.Y.60000Eq.Share) Equity Shares of Saheli Vastra Udyog Ltd.	60,000	60,000
7000 Eq.(P.Y.7000 Eq.) of Kay Bee Tex-Spin Ltd.	700,000	700,000
	789,000	789,000

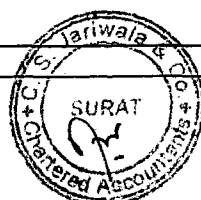
**1,035,530                      1,077,885**

**SCHEDULE - G :**

**SUNDRY DEBTORS :**

(Unsecured, considered good)

Debts outstanding for a period exceeding six months	597,588	139,588
Other debts	0	0
	597,588	139,588

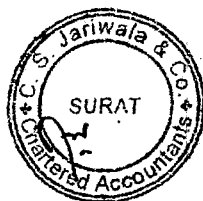


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**HIMALCHULI FOOD PRODUCTS LIMITED**  
(formerly known as SAHELI LEASING AND INDUSTRIES LIMITED)

Schedule to Balance Sheet as on 31st March, 2008

<b>PARTICULARS:</b>	<b>31-Mar-2008</b>	<b>31-Mar-2007</b>
<b>SCHEDULE - H :</b>		
<b>CASH &amp; BANK BALANCE :</b>		
Cash on hand :		
In Indian Currency	213,941	153,281
	<b>213,941</b>	<b>153,281</b>
<b>Balance with scheduled banks :</b>		
In current account	23,152	48,912
	<b>23,152</b>	<b>48,912</b>
<b>Balance With Other Banks :</b>		
In current account	4,158	2,776
	<b>4,158</b>	<b>2,776</b>
	<b>241,250</b>	<b>204,969</b>
<b>SCHEDULE - I :</b>		
<b>LOANS &amp; ADVANCES :</b>		
(unsecured, considered goods)		
Advance recoverable in cash or in kind for value to be received	33,742	168,687
Deposits	5,066	5,066
	<b>38,808</b>	<b>173,753</b>
<b>SCHEDULE - J :</b>		
<b>LIABILITIES :</b>		
Other Liabilities	138,542	193,113
Sundry Creditor for Expenditure	57,427	32,767
	<b>195,969</b>	<b>225,880</b>



**HIMALCHULI FOOD PRODUCTS LIMITED**  
(formerly known as SAHELI LEASING AND INDUSTRIES LIMITED)

Schedule to Profit & Loss Account for the year ended 31st March, 2008

PARTICULARS:	31-Mar-2008	31-Mar-2007
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**SCHEDULE- K**  
**OTHER INCOME**

Debenture Interest	240	315
Incometax Refund (Including Interest)	0	1,862,075
Dividend	4,384	0
Godawn Rent Income	108,000	0

	112,624	1,862,390
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**SCHEDULE - L :**  
**OPERATING AND OTHER EXPENSES**

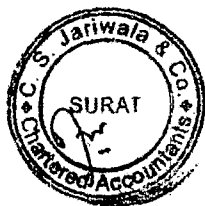
Advertisement	0	41,327
Auditor Remuneration	8,427	8,427
Bank Commission & charges	436	295
Director's Remuneration	0	144,000
Fringe Benefit Tax	0	10,098
Legal & Professional Fees	31,960	4,650
Listing Fees	16,000	15,300
Maintenance Charges	6,672	6,672
Municipal Corporation Tax	4,348	8,016

	67,843	238,785
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**SCHEDULE - M :**  
**EXTRA ORDINARY ITEM**

Loss on Redemption of Essar Oil Ltd. Debenture	(1,105)	0
Profit on Sale of Fixed Assets	49,320	0
Profit on Redemption of K.30 Mutualfund	14,570	0

	62,785	0
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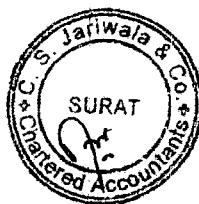


**HIMALCHULI FOOD PRODUCTS LIMITED****Schedule to Balance Sheet as on 31st March, 2008****Schedule 'E' : Fixed Assets :**

In Rs.

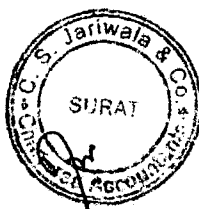
Sr. No.	PARTICULARS	GROSS BLOCK ( AT COST )			DEPRECIATION			NET BLOCK	
		4/1/2007	Addition/ (Deduction)	3/31/2008	4/1/2007	For the Period	3/31/2008	3/31/2008	3/31/2007
1	Office Equipment	124,859	0	124,859	75,227	0	75,227	49,632	49,632
2	Furniture & Fixtures	953,673	0	953,673	723,843	0	723,843	229,830	229,830
3	Building for Safe Deposit Vault	379,900	379,900	-	18,220	18,220	0	0	361,680
CURRENT YEAR TOTAL RS.		1,458,432	(379,900)	1,078,532	817,290	18,220	799,070	279,462	641,142
Previous Year Total Rs.		1,458,432	0	1,458,432	817,290	0	817,290	641,142	641,142

Note : No depreciation is provided during the year.



**SCHEDULE : 'N' : NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES :****SIGNIFICANT ACCOUNTING POLICIES :**

- 1. Method of Accounts:** The Financial Statements have been prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles accepted in India and the provisions of the Companies Act, 1956, as adopted consistently by the Company. Method of accounting employed by the company is generally mercantile both as to income and expenditure. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.  
The preparation of financial statements in conformity with accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period.
- 2. Revenue Recognition:** There is no transaction in nature of trading or manufacturing during the year. Other Income has been accounted on receipt basis.
- 3. Fixed Assets :**
  - i) Fixed Assets are stated at cost of acquisition inclusive of freight, duties and taxes.
- 4. Depreciation :**
  - i) Depreciation on fixed assets has not been provided as there is no business activity during the year.
  - ii) Depreciation on fixed assets of safe deposit vault is not provided for as the business is discontinued from 1.4.96.
- 5. Inventories :** There are no inventories as at the beginning as well as at the end of the year.
- 6. Investment:** Investments being long term are stated at cost. Investments are subject to physical verification and reconciliation thereof with actual quantity as regards the numbers of investment, which might have been increased due to conversion, bonus if any or decreased due to conversion from one form to another. The details shown in Schedule ' F' of the Balance Sheet is taken as certified and valued by management. Further on account what is stated above, the market values of quoted shares are not determined.
- 7. Retirement Benefits :**
  - (i) **Provident Fund:** Since there is no employee eligible for Provident Fund at the date of financial statement, no provision for Provident Fund has been made in books of account.
  - (ii) **Gratuity:** Since there is no employee eligible for gratuity at the date of financial statement, no provision for gratuity has been made in books of account.

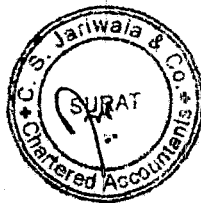


8. **Interest on Borrowings:** The Interest on cash credit account with Union Bank of India has not been charged against the profit for the current year since the said interest has not been charged by the bank in its books and it is further subject to reconciliation on availability of statement.

9. **Contingency :**

(i) Sundry Creditors, Debtors and Loans and Advances including borrowings and cash credit from bank are subject to confirmation and reconciliation with respect to individual details. Same are taken as certified by management and necessary adjustments in this respect have been carried out and further be carried out on ascertainment of amounts thereof.

10. **Contingent Liabilities:** The Company has Cash Credit Account with Union Bank of India, Udhna on which the bank has not charged interest in their books on this account and hence the company has not debited the interest on Cash Credit Account. The amount of interest and the contingent liabilities thereof has not been quantified, since the Company had corresponded for the bank statement & interest thereon, and bank has not provided any statement of said cash credit account along with detail of interest.



**NOTES ON ACCOUNTS :**

- I. Debts due from private limited companies and firm where any Directors is a director, Partner or Proprietor.

I) **LOANS & ADVANCES:**

NAME	BALANCE	MARCH-2007	BALANCE	MARCH-2008
Somaiya Bong Invest P.Ltd.	130,572	130,572	130,572	130,572

**NOTE:** Closing Balance and Maximum Balance is subject to Confirmation by Management.

II. **Secured Loan:**

- i) **Union Bank of India - Cash Credit A/c.:** Secured against hypothecation of Capital Equipments, Plant & Machinery acquired or to be acquired for leasing guaranteed by Managing Director and other three Director of the Company.

III. **Investments:** The aggregate market value of long term quoted investment as on March 31, 2008 was Rs. Not Determined (Previous year Rs. Not Determined) representing a diminution in value of Rs. Not Determined (Previous year Rs. Not Determined). (Refer the Note I (6) for limitation on matter).

Out of investment in Debentures of Essar Oil Ltd. of Rs.2355/-, debenture of Rs.2355/- have been redeemed during the year.

In the Opinion of the management, the decline in value, if any, is on account of market forces and is not of a permanent nature; hence no provision has been made for such diminution, upon which are unable to make any comment upon.

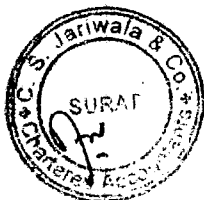
IV. **Directors Remuneration:**

Name of the Directors	MARCH 2008	MARCH 2007
<b>Omprakash Agrawal</b>		
Remuneration	NIL	120,000
Contribution to Super Annuation Fund	NIL	24,000
	NIL	144,000

V. Information in pursuant to clause 4B of part II Schedule VI of Companies Act, 1956 :

**Auditor's Remuneration**

Particulars	MARCH 2008	MARCH 2007
i) As Auditors	5,618	5,618
ii) As any other capacity in respect of Taxation	2,809	2,809



Contd...



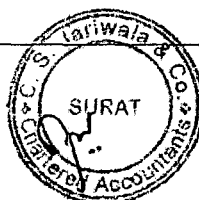
VI. Additional information pursuant to part IV of the schedule VI to the Companies Act, 1956 is given on separate sheet.

VII. Name of the Company has been changed from Saheli Leasing & Industries Ltd. To Himalchuli Food Products Ltd. Vide order date 24.03.199 No.048652/STA/1999-2000 of Registrar of Companies, Gujarat.

VIII. Related party disclosure in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountant of India.

Name of the related parties with whom the transaction have been made	Description of relation with the party	Nature of Transaction	Amount of total transaction in the year 2006-07	Amount outstanding as on 31-03-2007	Amount of total transaction in the year 2007-08	Amount outstanding as on 31-03-2008
Somiya Bong Group Investment P. Ltd.	Enterprise	Outstanding Balance	NIL	130,572	NIL	572
Saheli Udyog Ltd.	Vastra Group Enterprise	Receipts from Sundry Debtors	183,048	NIL	NIL	NIL
Saheli Udyog Ltd.	Vastra Group Enterprise	Receipt of advance given in earlier years	118,750	135,000	135,000	NIL
Kay bee Ltd.	Tex-Spin Group Enterprise	Other Liabilities	56,600	73,098	NIL	73,098
Avlon Syntex P.Ltd.	Group Enterprise	Receipt of advance given in earlier years	134,594	NIL	NIL	NIL
Deeprekha Pvt.Ltd.	Impex Group Enterprise	Loan taken	120,000	370,000	NIL	370,000
Opal Fabrics	Concern in which directors are interested	Receipt from Sundry Debtors	116,000	9,016	NIL	9,016
Omprakash Agrawal	Kay Management Personal	Remuneration & Super Annuation Premium	120,000 24,000	NIL	NIL	NIL
Saheli Udyog Enterprise	Vastra Group	Loan Taken	NIL	NIL	283,465	283,465

Contd...



- IX. (a) Particulars of employee who was employed through out the year and who was in receipt of remuneration of not less than Rs.600,000/- per annum.

Particulars	31-03-2008	31-03-2007
Number of Employee	NIL	NIL

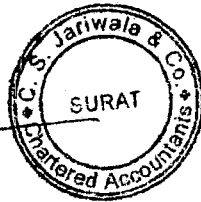
- (b) Particulars of employee who were employed for the part of the year and who were in receipt of remuneration of not less than Rs.50,000/- per annum.

Particulars	31-03-2008	31-03-2007
Number of Employee	NIL	NIL

Signature to Schedules A To N

As per our Report of even date

For and on Behalf of  
C. S. JARIWALA & CO.  
Chartered Accountants



(ANUJ C. JARIWALA - PARTNER)

SURAT. JUNE 17, 2008.

HIMALCHULI FOOD PRODUCTS LTD.

*[Signature]* *[Signature]*  
DIRECTOR DIRECTOR DIRECTOR

**HIMALCHULI FOOD PRODUCTS LTD.****STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.****Balance Sheet Abstract and Company's General Business Profile**

<b>1. Registration Details :</b>			
	Registration No.	State Code	Balance Sheet Date
	10074	04	31-03-08
<b>2. Capital Raised During the Period</b>			
Public Issue	Right Issue	Bonus Issue	Private Placement
NIL	NIL	NIL	NIL
<b>3. Position of Mobilisation &amp; Development of Funds : (In 1000)</b>			
Total Liabilities	24114	Total Asset	24114
<b>Source of Funds :</b>			
Paid up Capital	19,000	Reserves & Surplus	1,539
Secured Loans	2,725	Unsecured Loans	653
<b>Application of Funds :</b>			
Net Fixed Asset	279	Investments	1035
Net Current Asset	682	Misc. Expenditure	NIL
Accumulated Loss	21921		
<b>4. Performance of the company</b>			
Turnover (Gross Revenue)(other income)	113	Total Expenditure	6
Profit / (Loss) before Tax	107	Profit / (Loss) after Tax	107
Earning per Share	0.06	Dividend Rate	

**5. Generic Names of Three Principal Products of the Company :**

Item Code No. (ITC Code)

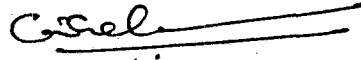
Product Description

**HIMALCHULI FOOD PRODUCTS LTD.**

DIRECTOR



DIRECTOR



DIRECTOR

SURAT. JUNE 17, 2008.