

30th July 2014

The Manager
Department of Corporate Services
Bombay Stock Exchange
1st Floor, P.J Towers, Dalal Street
Mumbai 400001

Subject: **Outcome of Board Meeting dated 30th July 2014.**

Dear Sir,

The Board of Directors of the Company in their meeting held on 30th July 2014 at 04:00 pm at the Head Office, Paonta Sahib (H.P) deliberated and approved as under:

- 1) The Board ratified the termination of JV agreements with Simplot and all its entities.
- 2) The Board considered & approved the Audited Results as on 31.03.2014 submitted by the Auditors. Board specifically took cognisance of the two issues;
 - a) Provisioning in diminution in value of Rs 1149.36 Lacs Equity invested in the JV Himalya Simplot.
 - b) Write off of Frozen Appetizer Stocks worth Rs. 1576.66 Lacs that were packed for JV on its projected sales in 2012 and 2013. The stocks had expired and were occupying the limited space in frozen warehouses and were wasting electricity.
- 3) Board was apprised on the flaws, gaps and incomplete modifications done by Simplot in the leased portion at Vadnagar plant adjoining the Frozen Appetiser & Dairy plants of the Company due to which the units have not been able to get Food Safety, HACCP & ISO approvals / certifications. The Board viewed the huge losses incurred due to closure of the units and directed COO to immediately complete the buildings left half way by Simplot at Vadnagar plant, seal all holes & gaps and ensure the Food Safety norms in the Frozen Appetiser & Dairy units at Vadnagar plant. The Board directed to make sure that these are compliant to International Standards and approved under HACCP & ISO 22000 regimes so that the potential export & domestic demands are fully met.
- 4) Board also directed to initiate all possible remedies to seek compensation for the losses on account of exclusivity since October 2011, abandoning the premises without completion of the dismantled walls & ceilings and loss of brand value & market presence since 2011 by the irresponsible Hegemony of Simplot over the failed JV and due to the unfair 'Exclusivity' clause that forced Himalya units to remain idle since October 2011.
- 5) The Board also took on record the results of Q1 ending 30th June 2014. The underperformance due to acute cash crunch and financial & goodwill losses due to Simplot

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