



Himalaya Food International Limited

Our Company was originally incorporated as “Himalaya Cement & Calcium Carbonate Limited” on January 30, 1992, under the Companies Act, 1956 pursuant to certificate of incorporation dated January 30, 1992 issued by the registrar of companies, Delhi & Haryana, New Delhi. Subsequently, the name of our Company was changed to “Himalaya International Limited” and a fresh certificate of incorporation consequent on change of name dated April 19, 1994 under the Companies Act 1956 was issued by Delhi & Haryana, New Delhi. Thereafter, the name of our company was changed to “Himalaya Food International Limited” and a fresh certificate of incorporation consequent upon change name dated February 09, 2018 under the Companies (Incorporation) Rules, 2014 was issued by the RoC of Delhi. For details, please refer to “**General Information**” on page 32 of this Draft Letter of Offer.

Registered Office: 118, 1st Floor, 12 Gagandeep Building Rajendra Place, Central Delhi, New Delhi, Delhi, India, 110008

Contact Person: Ms. Komaljeet Kaur, Company Secretary & Compliance Officer

Telephone: +91 011-45108609 **E-mail:** cs@himalyainternational.com **Website:** www.himalayafoodcompany.com

Corporate Identity Number (CIN): L70102DL1992PLC047399

POMOTERS OF OUR COMPANY: MR. MAN MOHAN MALIK AND MR. SANJIV KUMAR KAKKAR		
“FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY”		
ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“EQUITY SHARES”) OF OUR COMPANY (THE RIGHTS EQUITY SHARES) FOR CASH AT A PRICE OF ₹ [●] (INCLUDING SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT OF UPTO ₹ 4000 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●] (“THE ISSUE”). THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 147.		
WILFUL DEFAULTERS		
Neither our Company nor any of our Promoters or any of our Directors have been declared as Wilful Defaulters or Fraudulent borrowers by the RBI or any other government authority.		
GENERAL RISKS		
Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors shall rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India, (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of ‘Risk factors’ beginning on page 16.		
ISSUER’S ABSOLUTE RESPONSIBILITY		
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.		
LISTING		
The existing Equity Shares are listed on BSE Limited (BSE). Our Company has received “in-principle” approval from BSE for listing the Equity Shares to be allotted in the Issue vide its letter dated [●]. Our Company will also make application to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 For the purpose of this Issue, the Designated Stock Exchange is BSE.		
REGISTRAR TO THE ISSUE		
	Beetal Financial & Computer Services Pvt. Ltd, Beetal House, 3rd Floor, 99, Madangir, New Delhi, Delhi- 110062 Tel.: +91 011 – 29961281/82 Fax: +91 011 - 29961284 E-mail: beetal@beetalfinancial.com Investor Grievance: Website: www.beetalfinancial.com Contact Person: Punit Mittal SEBI Regn No. : INR000000262	
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
[●]	[●]	[●]

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renounees on or prior to the Issue Closing Date.

*Draft Letter of Offer
Dated: October 7, 2024
For Eligible Equity Shareholders only*

***Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION-I – GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Draft Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations set forth below shall have the same meaning as stated in this section. The following list of certain terms used in this Draft Letter of Offer is intended for the convenience of prospective investors only and is not exhaustive. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

The work and expressions used in this Draft Letter of Offer but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Tax Benefits” and “Financial Statements” beginning on Pages 45 and 74, respectively, shall have the meaning given to such terms in such sections.

Company & Industry Related Terms

Term	Description
“Our Company” / “Issuer” / “we” / “us” / “Himalaya Food”/ “HFIL”	Himalaya Food International Limited incorporated under the Company Act 1956, with its registered office at 118, 1 st Floor, 12 Gagandeep Building Rajendra Place, Central Delhi, New Delhi, Delhi, India, 110008
Articles of Association	The Articles of Association of our Company, as amended from time to time
Audited Financial Statements	Audited financial statements for the Fiscal 2023-24, including the notes thereto and reports thereon
Auditors/Statutory Auditors	The Statutory Auditors of our Company, M/s Sharma Kumar & Associates, Chartered Accountants (Firm Registration No. 030842N)
Board of Directors / Board	The Board of directors of our Company or a duly constituted committee thereof
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Ms. Komaljeet Kaur
CPRI	Central Potato Research Institute
Directors / our Directors	Any or all the Directors of our Company or a duly constituted committee thereof
Equity Shares	Equity share of our Company of face value Rs. 10 each
EPIP	Export Promotion Industrial Park
FSSC	Food Safety System Certificate
FSAI	Food Safety and Standards Authority of India
GFT	Global Food Trade
Group Companies	Group Companies as determined in terms of Regulation 2(1)(t) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
HACCP	Hazard Analysis and Critical Control Point
JV	Joint Venture
KMP	The key management personnel of our company in accordance with provisions of SEBI ICDR Regulations and the Companies Act, 2013. For details, please refer to chapter on “Our Management” beginning at Page 69.
MOA	The Memorandum of Association of our Company, as amended from time to time
MOU	The Memorandum of Understanding of our Company
NPA	Non-performing Assets
OTS	One Time Settlement
Promoter	The promoter of our Company namely are Mr. Man Mohan Malik, Mr. Sanjiv Kumar Kakkar

Promoter Group	The promoter group of our company as determined
QA	Quality Assurance
QSR	Quick Service Restaurant
Registered Office	Registered Office of our Company situated at 118, 1 st floor, 12 Gagandeep Building, Rajendra Place, New Delhi, Delhi-110008
Registrar and Share Transfer Agent / RTA	Beetal Financial & Computer Services Pvt. Ltd having office at Beetal House, 3rd Floor, 99, Madangir, New Delhi, Delhi-110062
Rights Issue Committee	The committee of our Board constituted through the resolution dated September 30, 2023.
Senior Management	Senior management of our Company
Shareholder	The Shareholder of Himalaya Food International Limited
HORECA	Hotel, Restaurant, and Café/Catering
USDA	United States Department of Agriculture

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	The Abridged Letter of Offer to be sent to Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment / Allotted / Allot	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment shall be made pursuant to this Issue.
Allottee (s)	Persons to whom our Equity Shares will be issued pursuant to the Issue
Applicant(s) / Investor(s)	Eligible Equity Shareholders and / or Renounees who are entitled to apply or have applied for Equity Shares under the Issue, as the case may be
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Securities at the Issue Price.
Application Money	Aggregate amount payable at the time of Application i.e., Rs. [●] per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
ASBA / Application Supported by Blocked Amount	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in the ASBA Account.
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI

Term	Description
	circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker(s) to the Issue	[●]
Banker to the Issue Agreement	Agreement dated [●] amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Investors, transfer of funds to the Allotment Account from the SCSBs, Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Rights Securities will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “ <i>Terms of the Issue</i> ” beginning from page 147.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	The Designated Stock Exchange for this Issue shall be BSE Limited
Draft Letter of Offer / DLOO	This Draft Letter of Offer dated October 07, 2024, filed with BSE for obtaining in-principal approval, which does not contain complete particulars of the Issue.
Eligible Equity Shareholder(s)	Equity Shareholders of our Company as on the Record Date
Equity Shares	Fully paid up equity shares of our Company having a face value of Rs.10 Each
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, [●] and the Renouncee(s)
Issue / Rights Issue	Issue of [●] Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●] (including share premium of Rs. [●]) per Equity Share for an aggregate amount up to Rs.4,000.00 lakhs to the Eligible Equity Shareholders on rights basis in the ratio of [●] Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders on the record date, i.e. [●]
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI ICDR Regulations
Issue Price	Rs. [●] per Equity Share
Issue Proceeds / Gross Proceeds	The monies received by our Company pursuant to the issue of Equity Shares on Rights basis which are allotted pursuant to the Issue
Issue Size	The issue of [●] Equity Shares for an aggregate amount upto Rs. 4,000.00 Lakhs
Letter of Offer	The Letter of Offer Dated [●], to be filed with the BSE and SEBI after Obtaining in-principle approval from BSE.
Listing Agreement	The listing agreement entered into between us and the BSE
Multiple Application Forms	Multiple application forms submitted by an Investor in respect of the same

Term	Description
	Rights Entitlements available in their demat account. However, supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see " <i>Objects of the Issue</i> " beginning on page 40 of this Draft Letter of Offer
Non Institutional Investor(s)	Non institutional investor as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●].
Qualified Institutional Buyer(s) / QIB(s)	Qualified Institutional Buyer as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for Equity Shares in the Issue, in this case [●]
Registrar Agreement	Agreement dated [●], between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar / Registrar to the Issue	M/s Beetal Financial & Computer Services Pvt. Ltd
Renouneece(s)	Any person(s), who not being the original recipient, has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouneece on or prior to the Issue Closing Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity shareholders. The Rights Entitlements are also accessible on the website of our Company
Rights Entitlement / RE	The number of Equity Shares that an Eligible Equity Shareholder is entitled, that is determined as a proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, i.e., [●] Equity Share for [●] Equity Shares held on [●].
Rights Equity Share(s)	Equity shares of our Company to be Allotted pursuant to this Issue
Self-Certified Syndicate Bank / SCSB	Self-Certified Syndicate Bank(s), registered with SEBI, which acts as a Banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Stock Exchange	BSE Limited (BSE), where our Equity Shares are presently listed

Term	Description
Transfer Date	The date on which the Application Money blocked in the ASBA Accounts will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange, being BSE.
Working Day(s)	In terms of Regulation 2(1) (mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

Conventional / General Terms and Abbreviations

Term /Abbreviation	Description / Full Form
“₹.”, “Rs.”, “Rupees” or “INR”	Indian Rupee(s).
“\$”, “Dollar”	American Rupee(s)
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited.
CIN	Corporate identity number.
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder.
Depositories Act	Depositories Act, 1996.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 or under any erstwhile Regulations
DIN	Director Identification Number.
“DP” or “Depository Participant”	Depository participant as defined under the Depositories Act.
DP ID	Depository participant’s identification
EPS	Earnings per Equity Share
FDI	Foreign Direct Investment
FCNR Account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
"Financial Year", "FY", "Fiscal Year" or "Fiscal"	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles

GOI	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income-Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
“Insider Trading Regulations” or “PIT Regulations”	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
MCA	Ministry of Corporate Affairs
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
PAN	Permanent account number
PAT	Profit after tax
SAST	SEBI (Substantial Acquisition of shares and takeovers) regulations, 2011
SCRA	Securities Contracts (Regulation) Act, 1956
SCR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
UPI	Unified Payments Interface

NOTICE TO INVESTORS

The distribution of the Letter of Offer, the Abridged Letter of Offer, Application Form, Rights Entitlement Letter and the issue of the Rights Entitlement and the Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession Draft Letter of Offer, the Letter of Offer, Application Form or Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Draft Letter of Offer / Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch this Letter of Offer, Application Form and Rights Entitlement Letter.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer was filed with BSE for its in-principal approval and Letter of offer will be filed with SEBI for its information. Accordingly, the issue of the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer or the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Draft Letter of Offer or the Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to Equity Shares. Accordingly, persons receiving a copy of the Draft Letter of Offer or the Letter of Offer should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer or the Letter of Offer in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If the Draft Letter of Offer or the Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer or the Letter of Offer.

Investors can also access the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, and the Stock Exchange.

Neither the delivery of the Draft Letter of Offer or the Letter of Offer, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof to the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Draft Letter of Offer and the Letter of Offer or the date of such information.

NO OFFER IN THE UNITED STATES

NO OFFER IN THE UNITED STATES OF THE RIGHTS ENTITLEMENTS AND EQUITY SHARES HAVE BEEN AND WILL BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "UNITED STATES" OR "U.S."), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER OR THE LETTER OF OFFER OR THE APPLICATION FORM ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER OR THE LETTER OF OFFER OR THE APPLICATION FORM RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS AN OFFERING OF ANY EQUITY SHARES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER OR THE

LETTER OF OFFER OR THE APPLICATION FORM SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India except that Mr. Sanjiv Kumar Kakkar Executive Director is an NRI and US Resident. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the "Civil Procedure Code"). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction.
- The judgment has not been given on the merits of the case.
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable.
- The proceedings in which the judgment was obtained are opposed to natural justice.
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such

amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

All references to "India" contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "Gol", Central Government" or the "State Government" are to the Government of India, central or state, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("IST"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Financial Data.

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Audited Financial Statements and/or the Limited Reviewed Financial Information. For details, please see "**Financial Information**" beginning on page 74 of this Draft Letter of Offer. Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Audited Financial Statements of our Company have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees in Lakhs.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements and in this Draft Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Letter For further information, see "**Financial Information**" beginning on page 74.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US\$" or "\$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" beginning on pages 16, 53 and 115 and elsewhere, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but the accuracy and completeness of such information are not guaranteed, and their reliability cannot be assured. This information is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" beginning on page 16 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

Certain statements in the Draft Letter of Offer are not historical facts but are “*forward-looking*” in nature. Forward looking statements appear throughout the Draft Letter of Offer, including, without limitation, under the chapter “*Risk Factors*”. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy and the trends we anticipate in the industry and the political and legal environment, and geographical locations, in which we operate, and other information that is not historical information.

Words such as “aims”, “anticipate”, “believe”, “could”, “continue”, “estimate”, “expect”, “future”, “goal”, “intend”, “is likely to”, “may”, “plan”, “predict”, “project”, “seek”, “should”, “targets”, “would” and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under “*Risk Factors*”, as well as those included elsewhere in the Draft Letter of Offer. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in technology in future;
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 16, 53 and 115, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although, we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to

be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from BSE Limited.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of the terms of the issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including the sections entitled “Risk Factors”, “Our Industry”, “Outstanding Litigation and Material Developments”, “Financial Statements” “Objects of the Issue” and “Our Business”, on page 16, 49, 125, 74, 40 and 53 respectively.

Primary Business of Our Company

We are engaged in the production of a different range of products, including mushrooms, French fries, fried and frozen potato products, appetizers, canned mushrooms, as well as Indian sweets and snacks. Our primary market is North America, where we supply our products through our promoter group company, Himalaya International Inc. (doing business as Global Food Trade) based in Cheyenne, Wyoming, USA. In the domestic Indian market, we offer fresh and canned mushrooms. We have been one of the leading Mushroom Grower and processor in the country. For further details, please refer to the chapter titled “Our Business” at page 53 of this of the Draft Letter of Offer.

Objects of the Issue

The details of the Net Proceeds are summarized in the table below:

Particulars	Amount (in Rs. lakhs)
Gross Proceeds from the Issue [#]	[●]
Less: Issue related expenses	[●]
Net Proceeds from the Issue	[●]

[#]assuming full subscription and allotment

The Net Proceeds are proposed to be used in the manner set out in the following table:

Sr. No.	Particulars	Amount (in Rs. lakhs)
1.	Partial repayment OTS amount to Banks	2,000
2.	Adjustment of unsecured loans against the rights entitlement of the Promoter & Promoter Group	1,500
3.	General corporate purposes [#]	[●]
Total		

[#]To be finalized on determination of the Issue Price and updated in the Letter of Offer prior to filing with the Stock Exchanges i.e BSE Limited and submitted with SEBI. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For details, see “Objects of the Issue” beginning on page 40 of this Draft Letter of Offer.

Intention and extent of participation by our Promoter and Promoter Group in the Issue

Our Promoters, Mr. Man Mohan Malik and Mr. Sanjiv Kumar Kakkar, on behalf of themselves and as representative of the Promoter Group have confirmed vide letter dated October 6, 2024, that they along with Promoter Group will subscribe to the full extent of the aggregate rights entitlement of the Promoter and Promoter Group, either themselves or through other members of the Promoter and Promoter Group, including renunciation within the Promoter Group in the Issue.

Further, our Promoter confirmed that during the Issue Period, they along with promoter group intend to (i) apply for and subscribe to additional Equity Shares, and (ii) subscribe to Equity Shares, if any, which remain unsubscribed in the Issue.

The acquisition of Rights Equity Shares by our Promoter and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Summary of Outstanding Litigations:

A summary of the proceedings involving our Company is provided below:

Nature of Cases	Number of Cases	Amount Involved (Amount in Lakhs)
Issuer Company		
Cases against the company.		
Direct Tax		
E-Proceedings	7	1010.41*
Outstanding Demand	1	551
TDS Default	5	43.29
Civil Proceedings	8	3263.44
Indirect Tax	2	607.50
Cases filed by our company		
Civil Proceedings	8	10910*

*To the extent quantifiable

For further details of litigation proceedings, please refer the chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 125 of the Draft Letter of Offer.

Risk Factors

For details of the risks applicable to our Company, please see section titled “*Risk Factors*” beginning on page 16 of this Draft Letter of Offer.

Contingent Liabilities

For details regarding our contingent liabilities, see “*Financial Statements*” beginning on page 74 of this Draft Letter of Offer.

Related Party Transactions

For details regarding our related party transactions, see “*Financial Statements*” beginning on page 74 of this Draft Letter of Offer.

Issue of Equity Shares for Consideration Other Than Cash in the Last One Year

No Equity Shares have been issued by our Company for consideration other than cash as on the date of filing of this Draft Letter of Offer.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in the Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risk we may face. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Unless otherwise stated in the relevant risk factors set below, we are not in a position to specify or quantify the financial or other implications of any risk mentioned herein. In making an investment in this Issue, prospective investors must rely on their own examination of our Company and terms of the Issue. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Audited and Unaudited Financial Information.

INTERNAL RISK FACTORS

- 1. Our inability to meet the tastes, preferences or consistent quality requirements of our consumers or our inability to accurately predict and successfully adapt to changes in market demand or consumer preference could reduce demand for our products, affect our sales.**

Producing the best quality of mushroom and other food products like appetizers, French fries and Indian sweet, we aim to serve good quality and delicious food. However, we may face challenges in meeting the tastes, preferences, or consistent quality requirements of our consumers, especially in North America markets. Consumer preferences may change over time due to various factors, such as health concerns, environmental awareness, cultural influences, or economic conditions. It may not be possible to accurately predict and successfully adapt to these changes in market demand or consumer preference, which could reduce the demand for our products and affect our sales. We may also face quality issues due to factors beyond our control, such as climate, pests, diseases, or transportation problems, which could affect the freshness, purity, or safety of our products and damage our reputation.

- 2. Our export to North America is through our Promoter Group Company Himalaya International Inc. which obtains the required approval from US authorities and is responsible for compliance with the regulation of that country. Any deficiency on part of US Promoter Group Company in complying with US regulation and laws could impact our exports adversely which may impact our financial condition and result of operation.**

We export majority of our products to North American markets through our promoter group company Himalaya International Inc. In FYI 2022- 2023 and 2023-2024 our export to North America were Rs.4533 lakhs and Rs. 2540 lakhs respectively which constituted 66% and 54% respectively of our sales in the respective years.

We have MOU with Himalaya International Inc. (doing business as global reliance) to whom we have appointed consignment agent in US. This arrangement has been since the year 2002 and extended time to time. Himalaya International Inc. is to promote and sell our product in US market. The consignee agent is responsible for complying with all applicable federal, state and local laws and regulations relating to marketing, sales and distribution of our products throughout the USA.

Any deficiency on part of US consignee in complying with US regulation and laws could impact our exports adversely which may impact our financial condition and result of operation. (For detail of MOU with Himalaya Food International Inc. Please refers to chapter 'Our business' beginning from page no. 53 of this Draft letter.

- 3. A disruption or shutdown of our appetizer and mushroom manufacturing operations or under-utilisation of our manufacturing facilities or a shortage or non-availability of fuel, electricity, or water**

could have an adverse effect on our business, financial condition and results of operations.

Our mushroom, French Fries and appetizers manufacturing facilities are subject to operational risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, natural disasters, industrial accidents and the need to comply with the directives of relevant Government authorities. Our business is dependent upon our ability to manage our manufacturing facilities effectively, which are subject to various operating risks, including those beyond our control. Any breakdown in the equipment may lead to halt in our manufacturing process thus adversely affecting our business and results of operations. If we are unable to repair malfunctioning equipment in a timely manner, our operations may need to be suspended until we are able to repair machinery or replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing.

In the past our production was adversely affected during COVID time in year 2020 to 2022. Further due to major fire in May 2022 in our Vad Nagar plant, manufacturing plant of French fries and appetizer was majorly destroyed and as a result productions of these items had to stop. This has impacted on the financial condition and result of operations adversely.

We cannot assure you that there will not be any significant disruptions in our operations in the future, although we employ routine safety procedures in the operations of our facilities and maintain what we consider to be adequate insurance.

Our manufacturing operations require a significant amount and continuous supply of electricity and water and any shortage or non-availability of these resources due to power cuts, rationing, price fluctuations, or other factors could hamper our production efficiency, increase our operating costs, and affect our product quality. We may also face regulatory and environmental risks associated with the use of these resources.

4. Any delay, interruption or shortage in the supply of our raw materials from third-party suppliers and manufacturers, or an increase in the costs of such raw materials, may adversely impact the pricing and supply of our French fries, appetizers products and have an adverse effect on our business, financial condition, cash flows and results of operations.

Our appetizers products are made from fresh and pure ingredients sourced from the local market and surrounding village. We work with third-party suppliers and manufacturers who share our values and standards of quality and sustainability.

However, our supply chain is subject to various risks such as delays, interruptions, shortages, price fluctuations, natural disasters, pandemics, political instability, trade disputes, and other factors beyond our control. These risks could affect the availability and cost of our raw materials, which in turn could impact the pricing and supply of our appetizer's products.

If we are unable to source our raw materials in a timely and cost-effective manner, or if we have to substitute or modify our ingredients, we may face customer dissatisfaction, loss of market share, reduced profitability, and damage to our brand reputation. These could have an adverse effect on our business, financial condition, cash flows and results of operations.

5. Our inability to manage our inventory and foresee accurate demand for our products for a future period may adversely affect our reputation, business, results of operation and our financial performance.

Our business involves growing mushroom, processing, and distributing a variety of vegetarian food products

like appetizers and French fries, Indian sweet that have different shelf lives and storage requirements. We need to accurately forecast the demand for our products from our customers and manage our inventory accordingly to avoid wastage, spoilage, or shortage of supply. If we fail to match our inventory levels with the actual demand for our products, we may face several negative consequences, such as loss of revenue and profitability which may lose sales opportunities and incur additional costs if we are unable to meet the demand for our products or have excess inventory that we cannot sell or store, damage to reputation and consumer satisfaction which may lose the trust and loyalty of our customers if we are unable to deliver our products on time, in the right quantity and quality, or at the expected price.

6. We have not entered into any technical support service contract for the maintenance and smooth functioning of our equipment's and machineries, which may affect our performance.

Our manufacturing operations involve daily use of technical equipment's and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our company has not entered into any technical support service contract with any competent third party. However, we have entered into an annual maintenance contract for few laboratory/ electronic equipment's. Our failure to reduce the downtime in case such events occur may adversely affect our productivity, business and financial results of operations.

7. Our business and prospects may be adversely affected if we are unable to maintain and grow our brand image.

Our Company has a strong brand image as a producer of quality mushroom, mushroom products, French fries, and appetizers etc. The brand image gives the company a competitive advantage in the domestic and global markets, as consumers are increasingly conscious of the quality, safety, and environmental impact of their food choices. Maintaining and growing the brand image requires constant innovation, ethical conduct, and customer satisfaction, which are subject to various challenges such as changing consumer preferences, regulatory compliance, quality control, and reputation management. If the company fails to maintain and grow its brand image, it may lose its market share, customer loyalty, and profitability, and face legal, financial, and reputational risks. We sell our product in domestic and oversee markets under the brands Himalaya Food International Ltd, Himalaya Food Company, Himalaya Fresh, Himalaya, Himalaya Mushroom, Chef Ernesto.

8. Any contamination or deterioration of our products could result in legal liability, damage our reputation and adversely affect our business prospects and consequently our financial performance.

We are subject to various contamination related risks which typically affect the agro and food industry, including risks posed by the following:

- contamination of our product during processing;
- deterioration of our mushroom during production;
- non-maintenance of required food safety standards;
- low shelf life of certain of our products;
- ineffective storage of finished goods as well as raw materials;
- product tampering; and
- product labelling errors;

The risk of contamination or deterioration of our products exists at each stage of the life-cycle of our products from sourcing of raw materials to production and delivery of the final products. Packaging, storage and delivery and the storage and shelving of our products by our distributor in domestic market and our promoter group company Himalaya Food International Inc in US until final consumption by consumers. If we do not adhere to the stringent quality control processes and quality standards at each stage of the production cycle such as conducting sampling tests to ensure that the colour, taste, appearance and nutrients of the products

and conduct our manufacturing operations in compliance with applicable food safety standards, laws and regulations, we cannot assure that our products will not be contaminated or suffer deterioration in the future.

We may be also be subject to liabilities arising out of non-compliance if any under the provisions of the Food Safety and Standards Act, 2006 (“FSS Act”) and FSSC 22000 as well as FDA U.S. Food & Drug Administration obtained by Promoter Group company Himalaya International Inc.

9. We have not identified any alternate source of raising the funds required for our “Objects of the Issue”. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the company.

10. We have not provided for certain contingent liabilities for financial year ending 2024 and 2023 which if materialize could adversely affect our financial position.

In the financial years ending March 31, 2024 and March 31, 2023, we have not provided for the following contingent liabilities as per financial statements:-

<i>(In lakhs)</i>		
Particulars	As at March 31, 2024	As at March 31, 2023
Guarantees and Counter guarantees given by the Company	48	48
Letter of credit	0	0
Excise duty on Domestic tariff areas sales pending in Delhi Tribunal	4	4
Corporate Guarantee given	1	1
Income Tax Appeal Pending before HC	1208	1208
DGFT Matter	3277	3277
EPF matter before Tribunal	12	12
Sales Tax	26	26
Liability in the Dispute with JV Simplot at SIAC	2970	2970

If any contingent liability materializes, our results of operations and financial condition may be adversely affected. For more details of our contingent liabilities for the financial year March 31, 2024 and March 31, 2023 refer to the section titled “*Financial Statements*” on page no 74 of the Draft Letter of Offer.

11. Health concerns relating to consumption of mushroom and appetizers products may reduce the demand for our products.

There is growing concern among consumers and public health professionals regarding use of high sodium, fat, and calorie content, or the presence of allergens, additives, or contaminants. This may lead to a decline in the demand for our products, especially our French fries appetizers and ethnic Indian snacks and sweets, which are deep-fried and contain high amounts of oil and sugar. Moreover, consumers may also perceive mushrooms as a low-nutrient food, or have allergies or intolerances to mushrooms, which may affect their preference for our mushroom products. Therefore, we may face challenges in maintaining or increasing our sales and market share in the face of changing consumer preferences and health awareness.

12. Our failure to protect confidential information like our product recipes, formulations, pricing or launch information could adversely affect our competitive position

We strive to maintain the confidentiality of the recipes and formulations of our diverse range of products,

which include Mushrooms, French Fries and other products. We also keep information regarding our proposed pricing of any new product, any proposed variation in price, or the launch of any new product confidential. Any failure to protect such confidential information due to leakage of information could affect our competitive position in our product segment. Although so far we have not found any attempt to divulge our proprietary/trade secrets to date, any such event of breach of confidential information about our products could impact our competitive position. Our commitment to ethical conduct, environmentally conscientious behavior, and constant innovation of healthier cooking practices further underscores the importance of safeguarding our proprietary information.

13. Our major production facilities are concentrated in the state of Gujarat. Any significant social, political, economic or seasonal disruption, natural calamities or civil disruptions in Gujarat could have an adverse effect on our business, results of operations, financial condition and cash flow.

Our company has two production units, the large one in VadNagar Gujarat, and other one in Paonta Sahib Himachal Pradesh. We are proposing to close the production facilities at Panota Sahib due to reason of Plant is now being surrounded by residential area and logistic disadvantage being far off from the port.

The success of our production activities and the success of our products depend on, among other things, the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing facilities and machinery. Our manufacturing activities are subject to operating risks, such as fire, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of our external contractors, industrial accidents etc. Although we have implemented industry acceptable risk management controls at our manufacturing location and continuously seek to upgrade them, the risk of fire or explosion associated with these materials cannot be completely eliminated. The occurrence of any of these risks could significantly affect our operating results.

14. Improper storage or handling of our mushroom products, French Fries and appetizers may result in spoilage of and damage to, such products which may adversely affect our business prospects, results of operations and financial condition.

We produce wide range of mushroom, French fries, appetizer and Indian sweets products. Each such product involves specific temperatures and other conditions of growing mushroom and storage depending on the nature of the product. In the event that our products especially mushroom are not appropriately stored, handled and transported under specific temperatures and other food safety conditions, the quality of such products may be affected, resulting in spoilage products of sub-standard quality. Any accident or negligence in the procurement, production or storage of our products under sub-optimal conditions may result in non-compliance with applicable regulatory standards or quality standards and storage conditions specified by our customers for such products. Any sale of such non-compliant product may be harmful to the health of end consumers of our products, and any such event may expose us to liabilities and claims which could adversely affect our brand image and reputation. Any such event may have a material and adverse effect on our business prospects, results of operations and financial condition.

15. There are outstanding legal proceedings involving our Company. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

We are involved in certain legal proceedings which are pending at different levels of adjudication before various tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. For details of litigation, see the chapter on “Outstanding Litigation & Other Materials Developments” beginning on page 125.

- 16. The capacity of our production is not fully utilized, consecutively, if there is under-utilization in future also the same could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.**

The capacities at our production units have not been fully utilized consecutively for past various years. For details of which please refer chapter title “*Our Business*” at page no. 53 of this Draft Letter of offer. We have not been able to utilize production capacity due to paucity of working capital. However, with this proposed Right Issue, whereby we shall receive 1500 lakh as working capital funds, we shall be able to increase our production and capital utilization. In the event of non-materialization of our estimates and expected order flow for our existing and/or future products and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our financial performance.

- 17. Our Company has obtained secured loans from Consortium of Bankers which have become due for repayment. Our inability to repay the agreed amount by March, 2025 may attract panel action from consortium bankers which may impact our working and business.**

Our Company has availed Secured Loans from Consortium of Banks for setting up manufacturing plant of various products including French Fries at Vad Nagar Gujarat. In October 2011, we entered into a shareholders agreement with Simplot India LLC (an affiliate of JR Simplot Company, a leading US based French Fries producer and potato processor) to establish a joint venture for production of French fries and other products. However, due to dispute with JV Partner), resulting in closure of French fry and Appetizers lines at Vadnagar Plant, we started incurring losses from year 2013-2014 and our Bank accounts were classified as NPA by Banks in the Year 2018-2019. On our request Consortium Banks led by SBI approved OTS Scheme based on our commitment to the Business and Export Potential of our products. The total OTS amount approved in FY 2018-19 by Consortium Banks was 8280 Lakhs. In spite of substantial decline in production, first during Covid epidemic 2020-2022 and secondly due to major fire at Vad Nagar Plant in May, 2022, we continued operation of our plants though at a much lower capacity. The OTS amount was to be re- paid by December 31, 2022, however due to reason of low capacity utilization on an account of non-availability of working capital, COVID epidemic and fire at Vad Nagar unit, we could so far repay an amount of Rs. 5759 Lakhs up to September 30, 2024 from internal accruals & unsecured loans from Promoters Group. We have requested consortium bankers to give more time at least up to March 2025 to repay the balance OTS amount and interest on it. In this regard, in the meeting with consortium bankers on July 5, 2024, bankers agreed in principal to our offer of payment of Rs. 4300 Lakhs including principle plus interest by March 2025 and agreed to put up the same to their respective sanctioning authority. Further in the last meeting of consortium, on August 14, 2024 bankers worked out the sharing pattern in proposed comprise amount of Rs. 4300 lakhs amongst themselves.

There is no assurance that we will be able to comply with these financial and other covenants or that we will be able to obtain the consents necessary to take the actions which we believe are necessary to operate and grow our business. We cannot assure you that our business will generate cash in an amount sufficient to enable us to service our debt or fund our other liquidity needs. In compliance with such restrictive covenants, we have applied for consent of our Bankers, i.e, Union Bank of India, EXIM Bank, State Bank of India and Bank of Baroda for this Rights issue and have obtained their No Objection Certificate for the proposed Rights Issue vide their letters dated [●], [●], [●] and [●] respectively.

- 18. Our Company has obtained unsecured loans from one of our promoters and two promoter groups entities which may be recalled at any time with 30 days prior notice. Any recall of the unsecured loans obtained by our Company may have an adverse effect on our business, prospects, financial condition and results of operations.**

Our Company has acquired unsecured loans from one of our promoters and two promoter group entities which

can be recalled at any time with 30 days prior notice by the lenders. The outstanding amount of unsecured loans as on September 30, 2024, Rs 1571.28 Lakhs. For details of such unsecured loan please refer chapter on “*Object of the issue*” beginning on page no 40.

The recall of these loans poses a significant risk to our financial stability, as it may necessitate immediate repayment, potentially leading to liquidity challenges. Such a situation could adversely affect our business operations, hinder our growth prospects, and negatively impact our overall financial condition and results of operations. The uncertainty surrounding the recall of these loans underscores the need for careful management of our financial resources and contingency planning to mitigate potential disruptions.

19. If we are unable to raise additional capital, our business prospects could be adversely affected.

We intend to fund our growth and expansion plans through our cash in hand and cash flow from operations including from proposed Rights Issue. We will continue to incur significant expenditure in maintaining and growing our existing infrastructure and production capacity. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to raise or borrow any future funds is dependent upon the success of our operations. Additionally, if we are unable to arrange adequate financing on timely basis, it could adversely affect our ability to grow. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and regulatory framework that allows us to raise capital. If we are unable to raise adequate capital in a timely manner and on acceptable terms, our business, results of operations, cash flows and financial condition could be adversely affected.

20. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.

Our Company has estimated the amount of funds required for various purposes and the expected utilization of the Net Proceeds, but these are subject to change depending on various factors, such as market conditions, operational performance, regulatory developments, etc, we have has not obtained any independent appraisal or the funding requirements and the proposed deployment of the Net Proceeds, and they are based on the management’s own assessment and judgement. We may also deviate from the proposed deployment of the Net Proceeds, if we identify alternative or more optimal uses of the funds, subject to compliance with applicable laws and regulations. Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of the Net Proceeds. The utilisation of Net Proceeds may not result in the creation of any tangible assets. For details, see chapter on “*Objects of the Issue*” beginning on page 40.

21. Our registered office is not owned by us and we have only leasehold rights. In the event we lose or are unable to renew such leasehold rights, our business and operations may be adversely affected.

We own the both manufacturing plant at Vad Nagar Gujarat and Paonta Sahib Himachal Pradesh. The corporate office is located in the premise of Vad Nagar plant which is owned by us. However our registered office of at New Delhi is on rented premise with rent/lease agreement expiring on 31st March 2025 if we fails to comply with the terms and conditions of the lease agreement, or if the owner exercise its right to terminate the tenancy for any reason our business and operations may be impacted. We may also face difficulties in renewing the leasehold rights on favourable terms, or at all, due to various factors such as market conditions, legal disputes, regulatory changes or competition from other tenants. If we are unable to renew lease on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from this locations in the future. In addition, the terms of lease requires us to undertake lease deposit,

incur certain repair and maintenance costs from time to time and to bear utility charges, and include conditions which may restrict our operational flexibility.

22. Our insurance coverage may not be adequate to protect us against all material risks. In the event of the occurrence of any unforeseen circumstance, our insurance coverage may not adequately protect us against a possible risk of loss.

We are adequately insured against all losses and risks involving plant, stock and third party liability for our operations, we have obtained insurance cover various risks such as fire, theft, natural disasters, accidents, product liability, etc. Our company has taken insurance policies to cover some of these risks, but they may not be sufficient to protect the company against all potential losses or liabilities. Our company may also face difficulties in renewing its existing policies or obtaining new policies on favorable terms. If our company suffers any loss or damage that is not covered or exceeds the coverage limit of its insurance policies, it may have to incur significant expenses to restore its operations and assets, which could adversely affect its financial condition and results of operations.

23. Our Promoter and Promoter Group will continue to retain control over our Company after completion of the Right Issue, which will allow them to influence the outcome of matters submitted for approval of our shareholders.

Our Promoter and Promoter Group collectively currently holds 48.83% of our paid up capital. After the completion of this Right Issue, they will continue to collectively control directly, approximately minimum 48.83% of our Company's outstanding Equity Shares. As a result, our Promoter and Promoter Group will continue to exercise significant control over us. Our Promoter and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoter and members of our Promoter Group will act in our interest while exercising their rights in such an event.

24. We have entered into and may in the future enter into related party transactions and we cannot assure that our future related party transactions would be on terms favourable to us when compared to similar transactions with unrelated or third parties.

We have in the ordinary course of our business entered, and will continue to enter, into transactions with related parties. While all of our related party transactions are in compliance with applicable law, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. In addition, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. We assure that all related party transactions of our Company shall be conducted in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable law as applicable.

We cannot assure you that such related party transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations, including as a result of potential conflicts of interest or otherwise. Please refer to chapter on "*Financial Statements*" beginning on pages 74 of this draft letter of offer.

- 25. Our Company is dependent on third party transport facilities for the delivery of goods that we manufacture but not having any formal arrangements with the transport service providers and any disruption in their operations or a decrease in the quality of their services or an increase in the transportation costs could adversely affect the Company's operations.**

Our Company is dependent on third party transport facility for the delivery of our products that we manufacture. We have no formal arrangement with transport providers. Our business is prone to risk of weather-related problems in transporting strikes or lock-outs by transport service providers. In addition, any increase in the charges imposed by the operators of transportation and logistics facilities would significantly impact our costs which consequently affect our results of our operations.

- 26. We export our products in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.**

Majority of our products are exported to North American Markets. We face competition from well-known American manufactures and Exporter from India and China. In domestic market we face competition in our business from local as well as nationwide players in our industry. The products which we produce are available in market from a large number of players. Thus, factors affecting our competitive success include, amongst other things, price, demand for our products, its availability, brand recognition and reliability. As a result, to remain competitive in market, we must continuously strive to reduce our procurement, transportation and distribution costs, improve our operating efficiencies and secure our stock requirements. If we fail to do so, other producers of similar products may be able to sell their products at prices lower than our prices, which would have an adverse effect on our results of operations.

- 27. We face foreign exchange risks that could adversely affect our results of operations and cash flows.**

We have foreign currency payables and receivables for import of raw materials for mushroom and export of finished products and are therefore, exposed to foreign exchange risk between the Indian Rupee and U.S. Dollars and other foreign currencies. Any significant fluctuation in the value of the Indian Rupee against such currencies including as noticed recently in the case of the U.S. Dollar, may adversely affect our results of operations. Any appreciation of foreign currencies against the Indian Rupee may result in reduction of our margins and consequently have an adverse effect on result of operations and cash flows. We are exposed to foreign exchange risks that could negatively impact our operational results and cash flows.

- 28. Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, results of operations and cash flows.**

We are required to obtain certain approvals, registrations, permissions and licenses from regulatory authorities, to undertake our operations including approvals under the FSS Act and the rules and regulations thereunder, Legal Metrology Act, 2009, environmental approvals, factory licenses and labour and tax related approvals. These approvals, licenses, registrations and permissions may be subject to numerous conditions. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, financial condition and cash flows. For further information on the nature of approvals and licenses required for our business, see “*Government and Other Approvals*” on page 136. In addition, we have and may need to in the future, apply for certain additional approvals, including the renewal of approvals, which may expire from time to time. We have, inter alia, made applications for certain consents and approvals which are pending

as on the date of this Draft letter of Offer. For instance, for all our primary manufacturing facilities and our ancillary manufacturing facilities in the state of Gujarat, our Company has made applications for Fire NOC, but is yet to obtain such Fire NOCs.

We cannot assure you that such approvals and licenses will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licenses in a timely manner would make our operations non-compliant with applicable laws and may result in the imposition of penalties by relevant authorities and may also prevent us from carrying out our business.

ISSUE SPECIFIC RISKS

29. We will not distribute the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, our Company will send, only through email, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

30. No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of our Equity Shares, amongst others. Since the trading of the Rights Entitlements will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Entitlements may not track the trading of Equity Shares.

31. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the SEBI Circulars, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For details, please refer chapter “*Terms of the Issue*” on page 147.

32. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” beginning on page 147.

33. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter or promoter group will not dispose of, pledge or encumber their Equity Shares in the future.

34. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

35. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after

the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

36. Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

37. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

38. The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

39. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of

the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

40. Investors will not have the option of getting the allotment of Equity Shares in physical form.

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see “*Terms of the Issue*” on page 147. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

41. There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on a Stock Exchange.

In accordance with Indian law and practice, approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the BSE, which would adversely affect your ability to sell our Equity Shares.

EXTERNAL RISK FACTORS

42. Our business is substantially affected by prevailing economic, political and other prevailing conditions in emerging markets.

The Indian economy and securities markets are influenced by economic, political and market conditions in India and globally, including adverse geopolitical conditions such as increased tensions between India and China. We are incorporated in India, and our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and the other emerging markets and our results of operations and cash flows are significantly affected by factors influencing the economy in these countries. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- Any increase in interest rate or inflation;
- Any exchange rate fluctuations;
- Any scarcity of credit or other financing, resulting in adverse impact on economic conditions and scarcity of financing for our expansions;
- any scarcity of credit or other financing, resulting in an adverse
- Prevailing income conditions among consumers and corporates;
- Volatility in, and actual or perceived trends in trading activity on, the relevant market’s principal stock exchanges;
- Change in tax, trade, fiscal or monetary policies;
- Political instability, terrorism or military conflict in the region or globally. For example, the recent hostilities between Russia and Ukraine;
- Occurrence of natural or man-made disasters;
- Prevailing regional or global economic conditions, including in the relevant country’s principal export

markets;

- Any downgrading of debt rating by domestic or international rating agency;
- Instability in financial markets; and
- Other significant regulatory or economic developments in or affecting India or the emerging market.

Further, any slowdown or perceived slowdown in the Indian economy or the economy of any emerging market, or in specific sectors of such economies, could adversely impact our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

43. Any terrorist attacks or social unrest and natural disasters occur in India; could adversely affect our business, operations and financial condition.

Increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business.

Natural disasters such as floods, earthquakes, famines and pandemics have in the past had a negative impact on the Indian economy, with the most recent example being the global outbreak of COVID-19. If any such event were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure, and the loss of business continuity or business information. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, financial condition and results of operations.

44. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

45. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on BSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions amongst Indian customers and Indian corporations;
- epidemic or any other public health emergency in India or in countries in the region or globally, including in India's various neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rate movements

which may in turn adversely impact our access to capital and increase our borrowing costs;

- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

46. Changing regulations in India could lead to new compliance requirements that are uncertain.

The regulatory and policy environment in which we operate are evolving and are subject to change. The GOI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

For instance, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In another example, the GoI has made it mandatory for business establishments with turnover above a certain size to offer digital modes of payment from November 2019, with no charges being levied on the customers or the merchants by banks and payment service providers. Such measures could adversely impact our income streams in the future and adversely affect its financial performance.

SECTION III - INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on September 30, 2023, pursuant to section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by our Board at its meeting held on [●].

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in the section “*Terms of the Issue*” beginning on page 147.

Rights Equity Shares being offered by our Company	Up to [●] Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	[●] Rights Equity Shares for every [●] Equity Shares held on the Record Date
Record Date	[●]
Face Value per Equity Share	Rs. 10 per shares
Issue Price	[●] per Rights Equity Shares (including a premium of Rs[●] Rights Equity Share)
Dividend	Such dividend, as may be recommended by our Board and declared by our Shareholders, in accordance with applicable law
Issue Size	[●] Lakhs.
Equity Shares issued, subscribed, paid-up and outstanding after the Issue	5,78,72,884 Equity Shares. For details, see “ <i>Capital Structure</i> ” beginning on page 37.
Equity Shares outstanding after the Issue	[●] Equity Shares
Security Codes for the Equity Shares	ISIN for Equity Shares: INE552B01010 BSE Scrip Code: 526899
ISIN for Rights Entitlements	[●]
Terms of the Issue	For information, see “ <i>Terms of the Issue</i> ” beginning on page 147.
Use of Issue Proceeds	For information, see “ <i>Object of the Issue</i> ” beginning on page 40.

For details in relation to fractional entitlements, see “*Terms of the Issue-Basis for this Issue and Terms of this Issue- Fractional Entitlements*” beginning on page 147.

Terms of Payment

Due Date	Face Value (Rs.)	Premium (Rs.)	Total amount payable per Rights Equity Share (including premium) (Rs.)
On Application (i.e., along with the Application Form)	10	[●]	[●]

GENERAL INFORMATION

Our Company was originally incorporated as “Himalaya Cement & Calcium Carbonate Limited” on January 30, 1992, under the Companies Act, 1956 pursuant to certificate of incorporation dated January 30, 1992 issued by the registrar of companies, Delhi & Haryana, New Delhi. Subsequently, the name of our Company was changed to “Himalya International Limited” and a fresh certificate of incorporation consequent on change of name dated April 19, 1994 under the Companies Act 1956 was issued by Delhi & Haryana, New Delhi. Thereafter, the name of our company was changed to “Himalaya Food International Limited” and a fresh certificate of incorporation consequent upon change name dated February 09, 2018 under the Companies (Incorporation) Rules, 2014 was issued by the RoC of Delhi.

Change in Registered Office of our Company

Our Company Registered Office at the time of IPO was at No. 4, Commercial Complex, Minto Road, New Delhi, Delhi, India-110002. The Registered Office was shifted to 206, Aggarwal Square Plaza, Pocket- 7, Plot No.- 9, Sector- 12, Dwarka, New Delhi, Delhi- 110075 on October 12, 2007. It was again shifted to T-6 & T-7, Third Floor, Malik Plaza-1, Plot No.2 , Sector -12, Dwarka, New Delhi, Delhi, India-110078 on January 29,2010 & thereafter to 192, Ground Floor, Sukhdev Vihar, New Delhi, Delhi, India-110025 on June 01, 2010. Further our registered office was shifted to E - 555, 1st & 2nd Floor, Palam Extension, Sector - 7, Dwarka, New Delhi-110077 on January 31, 2011 and thereafter the Registered Office was further shifted to the present address at 118, First Floor, 12 Gagandeep Building, Rajendra Place, New Delhi, Delhi – 110008 on April 10, 2019.

Our Himachal Pradesh Plant is situated at Village Shubhkhera, Paonta Sahib, District-Sirmour, HP-173025 and Gujrat Plant and Head & Corporate Office is situated at 215/A/1 Vadnagar-Red laxmipura Road at Sultanapura, Vadnagar, District-Mehsana, and Gujarat, India-384355.

Registered Office

118, 1st Floor, 12 Gagandeep Building
Rajendra Place, Central Delhi,
New Delhi, Delhi, India-110008
Tel. No. +91 011-45108609
Email: cs@himalyainternational.com
Website: www.himalayafoodcompany.com

Corporate Office

215/A/1 Vadnagar Redlaxmipura Road,
Sultanapura, Vadnagar, District-Mehsana,
Gujarat, India-384355
CIN: L70102DL1992PLC047399
Registration Number: 047399

Registrar of Companies

Registrar of Companies, Delhi
4th Floor, IFCI Tower, 61, Nehru Place,
New Delhi – 110019
Tel. No.: +91 011-26235703/26235708
E-mail: roc.delhi@mca.gov.in

Company Secretary & Compliance Officer

Ms. Komaljeet Kaur

Himalaya Food International Limited
118, 1st Floor, 12 Gagandeep Building, Rajendra Place, Delhi - 110008
Tel. No.: + 91 1145108609/ 8894788610
Email: cs@himalyainternational.com

Legal Advisor to the Issue

MV Kini

Kini House, 6/39 Jangpura-B, New Delhi-110014
Tel No.: +91 11 24371038/39/40
Email: corporatedelhi@mvkini.com
Contact Person: Vidisha Krishan

Statutory Auditors of our Company

M/s Sharma Kumar & Associates,

Chartered Accountants
TA -3107, 2nd Floor, Tkd. Extn., Main Okhla Road, Delhi- 110019.
Tel.: +91-7838732300
Email: cakailasharma@gmail.com
Contact Person: CA Kailash Sharma
Peer Review Certificate: 018209
Firm Registration Number.: 030842N

Registrar to the Issue

Beetal Financial & Computer Services Private Ltd,

Address: Beetal House, 3rd Floor, 99, Madangir, Delhi- 110062
Tel.: +91 011 – 29961281/83
E-mail: beetal@beetalfinancial.com
Investor Grievance ID: beetalrta@gmail.com
Website: www.beetalfinancial.com
Contact Person: Punit Kumar Mittal
SEBI Registration No. : INR000000262

Investor Grievances

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Form or the plain paper application, as the case may be, was submitted on the ASBA process, for details please refer to the section titled ‘*Terms of the Issue*’ beginning on page 147 of this Draft Letter of Offer.

Experts

Our Company has received consent from our Statutory Auditors, M/s Sharma Kumar & Associates., through its letter dated October 04, 2024 to include their names as required under Section 26(1)(v) of the Companies Act, 2013 in the Draft Letter of Offer/Letter of Offer and as an “expert” as defined under Section 2(38) of the

Companies Act, 2013 in respect of the its Limited Review Financial Information, the Audited Financial Statements and Statement of Possible Special Tax Benefits, respectively, and such consents have not been withdrawn as of the date of this Draft Letter of Offer/Letter of Offer.

Change in Statutory Auditors

There has not been any change in the Statutory Auditor of our Company in last three years.

Banker to the Issue & Refund Banker

[●] To be appointed before submitting the Letter of Offer to BSE and SEBI.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Banker to our Company:

State Bank of India

State Bank of India, SAM Branch, SAMB-I (04109), 12th Floor, Jawahar Vyapar Bhawan, 1, Tolstoy Marg, Janpath, New Delhi-110001.
Contact Person: Shri Sanjay Goyal
Assistant General Manager
Tel No.: 9167978261
Email: team3sambl.del@sbi.co.in

Union Bank of India

SAM vertical Branch, M-93, Connaught Circus, New Delhi 110001

Exim Bank of India

Export-Import Bank of India
C- 213, Second floor, Elante Offices, Plot No. 178-178 A, Industrial Area, Phase-1, Chandigarh-160002

Bank of Baroda

Zonal Stressed Assets Recovery Branch 4th Floor, Bank of Baroda Towers, Nr.Law Garden, Ellisbridge, Ahmedabad-380006

Issue Schedule

Last date for credit of Rights Entitlement	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation[#]	[●]
Issue Closing Date*	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

[#]Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

*Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their valid and correct demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., [●], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.beetalfinancial.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms duly completed in all respect and duly signed as per signature recorded with the Company or the Registrar are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also ensured that the applications are submitted well in advance before Issue Closing Date.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.beetalfinancial.com in after keying in their respective details along with other security control measures implemented thereat. For further details, see “*Terms of the Issue*” beginning on page 147.

Please note that if no valid Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Monitoring Agency

Since the issue size is less than Rs. 100 Crore, appointment of Monitoring Agency is not required.

Appraising Authority

The funding required and proceed deployment of the issue proceed have not been independently appraised by any bank or financial institution.

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Minimum Subscription

The Object of the Issue does not involve financing of capital expenditure and our Promoters have confirmed their intention to subscribe to the full extent of their aggregate rights entitlement in the Issue and not renounce their Rights Entitlements except to the extent of renunciation within the Promoter Group, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

Underwriting

This Issue is not unwritten.

Filing

This Draft Letter of Offer is being filed with the Stock Exchange i.e BSE. Further, Our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, do an online filing with SEBI through the SEBI Intermediary Portal in accordance with SEBI ICDR Master Circular.

Prohibition by SEBI

The Company, its directors, its promoter and promoter group, other companies promoted by the promoter and companies with which the Company's directors are associated as director have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

Further, none of the directors of our Company are associated with the securities market in any manner, and SEBI has not initiated any action against any entity, with whom the directors of the Company are associated.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

S. No.	Particulars	Amount (in ₹ Lakhs, except share data)	
		Aggregate value at nominal value	Aggregate value at Issue Price*
A.	Authorised Share Capital		
	7,50,00,000 Equity Shares of ₹ 10 each	7,500.00*	
	Total		
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	5,78,72,884 Equity Shares of ₹ 10/- each	5,787.29	
C.	Present Issue in terms of this Draft Letter of Offer*		
	Up to [●] Equity Shares of ₹ 10 each	[●]	[●]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue#		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
E.	Securities Premium Account		
	Before the Issue	3377.89	
	After the Issue	[●]	

assuming full subscription for and allotment of the Rights Entitlement.

*The Board of Directors of our company in its meeting held on September 30, 2023 has approved the present rights issue.

The Shareholders of our Company have in its Annual General Meeting held on September 20, 2023 approved the increase in authorised Share capital from 75,00,00,000/- (Rupees Seventy-Five Crores only) divided into 7,50,00,000/- (Seven Crores Fifty Lakhs only) equity shares of Rs. 10/- (Rupees ten only) each to Rs. 100,00,00,000/- (One Hundred Crores only) divided into 10,00,00,000 (Ten Crores only) equity shares of Rs. 10/- (Rupees Ten only) by special resolution through E-voting results of which were declared on September 22, 2023. Further our shareholder in AGM dated August 9, 2024 have approved by special resolution in supersession of the resolution passed earlier on September 20, 2023 and accorded approval to increase the authorised share capital of the Company from Rs. 75,00,00,000/- (Rupees Seventy-Five Crores only) divided into 7,50,00,000/- (Seven Crores Fifty Lakhs only) equity shares of Rs. 10/- (Rupees ten only) each to Rs. 90,00,00,000/- (Ninety Crores only) divided into 9,00,00,000 (Nine Crores only) equity shares of Rs. 10/- (Rupees Ten only).

One of our promoters, Sh. Man Mohan Malik and our Promoter Group member Ms. Sangita Malik and Promoter Group Company M/s Doon Valley Foods Private Ltd have approved unsecured loan to the extent of Rs. 400 Lakhs, 100 lakhs and Rs. 1,500 Lakhs respectively which are being utilized for working capital for which funds from rights issue are being raised. In such case, this amount as requested by the lenders will be fully adjusted against their rights entitlement / additional subscription including through renouncement, if any, in the proposed rights issue. Our shareholders in the Extra-Ordinary Meeting (EGM) held on October 27, 2023 through e-voting/ video conferencing, the results for which were declared on October 29, 2023, had approved the conversion of unsecured loans to be extended by Promoter Group into Equity Shares of the Company in an any Equity Issue at the option of lender.

NOTES TO CAPITAL STRUCTURE

1. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Our Promoters, Mr. Man Mohan Malik and Mr. Sanjiv Kumar Kakkar, on behalf of themselves and as representative of the Promoter Group have confirmed vide letter dated October 6, 2024, that they along with Promoter Group will subscribe to the full extent of the aggregate rights entitlement of the Promoter and Promoter Group, either themselves or through other members of the Promoter and Promoter Group, including renunciation within the Promoter Group in the Issue.

Further, our Promoters confirmed that during the Issue Period, they and other promoter group members intend to (i) apply for and subscribe to additional Equity Shares, and (ii) subscribe to Equity Shares, if any, which remain unsubscribed in the Issue.

The acquisition of Rights Equity Shares by our Promoter and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4) (b) of the Takeover Regulations is ₹ [●]/- per equity share.

3. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations

- a) The shareholding pattern of our Company as of June 30, 2024 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/himalaya-food-international-ltd/hfil/526899/shareholding-pattern/>
- b) The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” as of June 30, 2024 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=526899&qtrid=122.00&QtrName=June%202024>
- c) The statement showing holding of Equity Shares of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as of June 30, 2024 as well as details of Equity Shares which remain unclaimed for public shareholders can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=526899&qtrid=122.00&QtrName=June%202024>

4. Details of shares pledged, encumbrance by promoters and promoter group:

The details of shares, pledged and encumbered by the Promoter and Promoter Group may be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=526899&qtrid=122.00&QtrName=June%202024> respectively.

5. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.
6. At any given time, there shall be only one denomination of the Equity Shares of our Company.

7. Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the Draft Letter of Offer

One of our Promoter group company, M/s Doon Valley Foods Private Limited has acquired 4868778 equity share on 4th June, 2024 at a price of Rs. 25.70 per Equity Share by way of Off market transaction from another promoter group company Himalaya International Inc. This inter-sale transfer of share of our company by the aforesaid promoter group companies has been undertaken in compliance of regulation 10 of SEBI SAST (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Doon Valley Foods Private Limited, the acquirer has informed the transaction details to BSE and SEBI as required under SEBI SAST (Substantial Acquisition of Shares and Takeovers) Regulation 2011.

8. Details of outstanding instruments as on the date of this Draft Letter of Offer:

As on date of this Draft Letter of Offer, our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme. Further, it has not issued any convertible securities which are outstanding as of date of this Draft Letter of Offer.

9. Details of the shareholders holding more than 1% of the issued and paid-up Equity Share capital

The table sets forth the details of Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital of our Company, as of June 30, 2024:

S.No.	Name of Equity Shareholders	Entity Type	Number of Equity Shares held	Percentage of Equity Shares held (%)
1.	Aananditaa Kakkar	Promoter Group	15,80,000	2.73
2.	Anita Kakkar	Promoter Group	18,71,193	3.23
3.	Arjun Malik	Promoter Group	49,15,713	8.49
4.	Joyti Malik	Promoter Group	14,92,700	2.58
5.	Man Mohan Malik	Promoter	9,54,915	1.65
6.	Purnima Malik	Promoter Group	23,17,300	4.00
7.	Sangita Malik	Promoter Group	11,44,900	1.98
8.	Sanjiv Kakkar	Promoter	30,16,500	5.21
9.	Sidarth Kakkar	Promoter Group	16,32,311	2.82
10.	Himalaya Carbonates Private Ltd.	Promoter Group	27,18,475	4.70
11.	M/s Doon Valley Food (p) Ltd	Promoter Group	63,77,238	11.02

10. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up.

11. Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up.

12. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in the rights issue, except for fees or commission for services rendered in relation to the Issue.

OBJECTS OF THE ISSUE

The proceeds of the Issue are proposed to be utilized by us for financing the following objects:

- Part repayment of Secured loans (OTS amount) to Consortium of Banks
- Adjustment of unsecured loans against the rights entitlement of the Promoter & Promoter Group
- General corporate purpose

The main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Rights Issue.

Issue Proceeds

	<i>(in ₹ Lakhs)</i>
Particulars	Amount
Gross Proceeds from the Issue	[•]
Less: Issue related expenses	[•]
Net Proceeds from the Issue	[•]

Objects of the Issue and utilization of Net Proceeds

	<i>(in ₹ Lakhs)</i>
Particulars	Amount
i. Part repayment of Secured loans (OTS amount) to Consortium of Banks	2,000
ii. Adjustment of unsecured loans against the rights entitlement of the Promoter & Promoter Group	1,500
iii. General Corporate Purposes*	[•]

**Subject to the finalisation of the Basis of Allotment of the Rights Equity Shares. The amount utilised for general corporate purposes shall not exceed 25% of the Proceeds of the rights issue.*

Our Company proposes to meet the requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Right Issue. The fund requirements and proposed deployments are based on our management estimates and have not been appraised by any bank or financial institution or any other independent agency. The fund requirement above is based on our current business plan.

Details of the objects of the Issue

1. Part repayment of Secured loans (OTS amount) to Consortium of Banks

Our Company has availed Secured Loans from Consortium of Banks for setting up manufacturing plant of various products including French Fries at Vad Nagar Gujarat. In October 2011, we entered into a shareholders agreement with Simplot India LLC (an affiliate of JR Simplot Company, a leading US based French Fries producer and potato processor) to establish a joint venture for marketing and selling of food products manufactured by our company. However, due to dispute with JV Partner), resulting in closure of French fry and Appetizers lines at Vadnagar Plant, we started incurring losses from year 2013-2014 and our Bank accounts were classified as NPA by Banks in the Year 2018-2019. On our request Consortium Banks led by SBI approved OTS Scheme based on our commitment to the Business and Export Potential of our products. The total OTS amount approved in FY 2018-19 by Consortium Banks was 8280 Lakhs. In spite of substantial decline in production, first during Covid epidemic 2020-2022 and secondly due to major fire at

Vad Nagar Plant in May, 2022, we continued operation of our plants though at a much lower capacity. The OTS amount was to be re- paid by December 31, 2022, however due to reason of low capacity utilization on an account of non-availability of working capital, COVID epidemic and fire at Vad Nagar unit we could so far repay an amount of Rs. 5759 Lakhs up to September 30, 2024 from internal accruals & unsecured loans from Promoters Group. We have requested consortium bankers to give more time at least up to March 2025 to repay the balance OTS amount and interest on it. In this regard, in the meeting with consortium bankers on July 5, 2024, bankers agreed in principal to our offer of payment of Rs. 4300 Lakhs including principle plus interest by March 2025 and agreed to put up the same to their respective sanctioning authority. Further in the last meeting of consortium, on August 14, 2024 bankers worked out the sharing pattern in proposed comprise amount of Rs. 4300 lakhs amongst themselves.

The following table provides the details of OTS by consortium Bankers out of which Rs. 2,000 is proposed to be partially repaid from the Net Proceeds of this right issue. We have applied to our bankers for their NOC for coming out with the Rights Issue and we apprehend positive consent from banks before coming out with the issue.

Details of Secured Loans

(All amounts in Rs. Lakhs, unless otherwise stated)

Name of the Lender Banks	OTS amount Sanctioned	OTS Amount outstanding as on September 30, 2024	Date of Agreement / Sanction letter	Rate of Interest, if any on OTS Amount
State Bank of India	2594	1375	28.06.2019	SBI MCLR + 2%
EXIM Bank	1558	789	27.12.2019	Simple Interest 12%
Union Bank of India	2914	1521	03.02.2021	ROI @1Year MCLR up to 31/03/2021 and with effect from 1/04/2021 @ SBI MCLR +2%
Bank of Baroda	1214	615	11.09.2019	Simple Interest12%

2. Adjustment of Unsecured loans against the rights entitlement of the Promoter and Promoter Group

In view of immediate funds requirement of our company, one of our Promoters, Mr. Man Mohan Malik and two promoter group entities Mrs. Sangita Malik and M/s Doon Valley Foods Private Ltd have sanctioned unsecured loans to the extent of Rs. 400 Lakhs, 100 Lakhs and 1500 Lakhs respectively, which are to be utilized for the purposes for which funds from rights issue are being raised. So far, till 30th September 2024, unsecured loans amounting to Rs. 1571.28 lakhs have been disbursed by aforesaid three lenders to our company, as per details given below. Out of the disbursed unsecured Loans of Rs. 1571.28 lakhs, an amount of Rs. 1500 lakhs as requested by the Lenders (Rs. 280 lakhs by Mr. Man Mohan Malik, Rs. 46.28 lakhs by Mrs. Sangita Malik & Rs. 1173.72 lakhs by M/s Doon Valley Foods Private Ltd) will be fully adjusted against their rights entitlement in the proposed rights issue. The shareholders of our Company in Extra- Ordinary General meeting held on October 27, 2023 through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) have approved conversion of Unsecured

Loans/Financial Assistances from Promoters and Promoters Group not exceeding Rs. 2500 Lakhs in Equity Shares including in Rights Issue at the option of Lenders on one or more occasions during the currency of the Financial Assistances.

Details of Unsecured Loans

(All amounts in Rs. Lakhs, unless otherwise stated)

Name of the Lender	Amount Sanctioned (in lakhs)	Date of Agreement / Sanction letter	Outstanding loan (in Rs. Lakhs) as on September 30, 2024	Rate of Interest	Terms of Repayment
Mr. Man Mohan Malik	400	30.10.2023	280	8%	Payable within 3 years. on demand subject to with 30 days Prior Notice
Mrs. Sangita Malik	100	30.10.2023	46.28	8%	Payable within 3 years. on demand subject to with 30 days Prior Notice
M/s Doon Valley Foods Private Ltd	1500	31.10.2023	1245	8%	Payable within 3 years. on demand subject to with 30 days Prior Notice

3. General Corporate Purpose

In terms of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes shall not be exceed 25% of the Gross proceeds of the Issue. Our Board will have flexibility in applying certain amount towards general corporate purposes, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our management will have flexibility in utilizing any amounts for general corporate purposes which shall be in compliance with the SEBI ICDR Regulation and other laws, as may be applicable under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board or its committee, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Estimated Schedule of Deployment of Funds

As estimated by our management, the entire proceeds received from the issue would be utilized in current financial year 2024-25.

4. Issue Expenses

The Issue related expenses consist fees payable to the Legal counsel, Registrar to the Issue, stationery printing and distribution expenses, advertisement expenses, depositories fees, listing fees and all other incidental and miscellaneous expenses in respect of Rights Issue and Listing of additional equity shares on the Stock Exchange. We intend to use approximate Rs [●] Lakhs towards these expenses which are to be met out of issue proceeds.

Particulars	Estimated Expenses (₹ Lakhs)	% of As a Issue Size	As a % of Issue expenses
Fee payable to the Legal Advisors	[●]	[●]	[●]
Fee payable to the Registrars to the issue	[●]	[●]	[●]
Fee payable to regulators, including depositories, Stock Exchanges	[●]	[●]	[●]
Advertising, marketing expenses, Printing and distribution of issue stationery etc	[●]	[●]	[●]
Other miscellaneous expenses (including out of pocket reimbursements, etc.)	[●]	[●]	[●]

Deployment of Funds towards the Objects of the Issue

We have incurred 7.5 lakhs till September 30, 2024 towards the Objects of the Issue which has been certified by CA Kailash Sharma, Partner (Membership No. 543197), M/s Sharma Kumar & Associates, and Chartered Accountants, vide his certificate dated October 1, 2024. The same has been incurred towards issue related expenses and have been financed from internal accruals.

Interim Use of Proceeds

Pending utilization for the objects described above, we intend to deposit the net proceeds only in Scheduled Commercial Banks.

Bridge Financing Facilities

Our Company has not availed any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

Monitoring of Utilization of Funds

Since, the Issue is for an amount less than ₹ 10,000 lakhs, in terms of Regulation 82(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Other confirmations

No issue proceeds will be utilized for payment to our Promoters, Promoter Group, Directors, Key Managerial Personnel and Promoter Group Companies of our Company except that unsecured loans extended by Promoter Group may be utilized by them against their subscription in the proposed rights issue as given elsewhere in this chapter.

STATEMENT OF SPECIAL TAX BENEFITS



SHARMA KUMAR & ASSOCIATES Chartered Accountant

STATEMENT OF SPECIAL TAX BENEFITS

Date: June 10, 2024

To,

The Board of Directors
Himalaya Food International Limited
118, 1st Floor, 12 Gagandeep Building
Rajendra Place, Central Delhi,
New Delhi – 110008
India

Ladies and Gentlemen,

Re: Proposed Right Issue offer of Himalaya Food International Limited (the "Company", and such offering, the "Offer")

1. We, Sharma Kumar & Associates, Chartered Accountants, statutory auditors of the Company, hereby confirm that the 'Statement of Special Tax Benefits', enclosed herewith as **Annexure A**, prepared by the Company and initialed by us and the Company (the "**Statement**"), provides the special tax benefits (under direct and indirect tax laws) available to the Company, to its shareholders pursuant to (i) the Income-tax Act, 1961, as amended and read with the rules, circulars and notifications issued in relation thereto; and (ii) applicable indirect taxation laws, as amended and read with the rules, circulars and notifications issued in connection thereto, ("**Taxation Laws**"), as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company and its shareholders. There is no material subsidiary of the Company identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Several of such possible special tax benefits forming part of the Statement are dependent on the Company and/or its shareholders fulfilling applicable conditions prescribed within the relevant statutory provisions and accordingly, the ability of the Company and/or its shareholders to derive such possible special tax benefits is entirely dependent upon the lawful fulfilment of such conditions by the Company and/or its shareholders, as applicable.
2. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Statement. The benefits discussed in the Statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement.
3. The special tax benefits discussed within the Statement are not exhaustive and are intended to provide an illustrative understanding to prospective investors with respect to the special tax benefits available to the Company and/or its shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each prospective investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.
4. We do not express any opinion or provide any assurance as to whether the:
 - (i) Company and/or its shareholders will continue to obtain such special tax benefits in the future; or
 - (ii) conditions prescribed for availing such special tax benefits where applicable, have been/would be complied with.
5. The contents of the Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.



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6. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the Taxation Laws and its interpretation, which are subject to change from time to time.
7. Our examination of the Statement has been carried out in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) as issued by the Institute of Chartered Accountants of India ("ICAI") and accordingly, we confirm that we have complied with ethical requirements stipulated within the Code of Ethics issued by the ICAI.
8. The enclosed statement is intended solely for your information and for inclusion in the Draft Letter of Offer and any other material in connection with the Offer and is not used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For and on behalf of **Sharma Kumar & Associates.**
Chartered Accountants
Firm's Registration No: 030842N



Kailash Sharma
Partner
Membership No. 543197

ICAI UDIN: 24543197BKCPK9631
Place: Delhi
Date: June 10, 2024





ANNEXURE A

1. Special Income tax benefits available to the Company in India under the Income tax Act, 1961 ('Act')

- Section 115BAA of the Act, as inserted *vide* the Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax ('MAT') would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company may claim such beneficial tax rate in future years subject to giving away any other income-tax benefits under the Act (other than the deduction available under section 80JJAA and 80M of the Act) and fulfilling the then prevailing provisions under the Act.
- Subject to the fulfilment of prescribed conditions, the Company is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business, for three assessment years including the assessment year relevant in which such employment is provided. Further, where the Company wishes to claim such possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

2. Special Income tax benefits available to the Shareholders of Company under the Act.

There is no special tax benefit available to the shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act.

- Section 112A of the Act provides for concessional rate of tax on long term capital gain arising on transfer of equity shares with effect from April 1, 2019 (i.e., Assessment Year 2019-20) subject to conditions. Any long term capital gain, exceeding INR 1,00,000 arising from the transfer of a long term capital asset (i.e., capital asset held for the period of 12 months or more) being an Equity Share in a company wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation.
- Section 111A of the Act provides for concessional rate of tax @ 15% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of income exemption, where applicable) arising from the transfer of a short term capital asset (i.e., capital asset held for the period of less than 12 months) being an Equity Share in a company or wherein STT is paid on both acquisition and transfer.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident shareholder has fiscal domicile.

 **Himalaya Food International Ltd.**
CIN : L70102DL1992PLC047399 Formerly known as Himalaya International Ltd.

Contact@HimalayaFoodCompany.com

www.HimalayaFoodCompany.com

Registered Office :

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Plants

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3. Special Tax Benefits under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), The Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 including the relevant rules, notifications and circulars issued there under and Foreign Trade (Development Regulation) Act, 1992 ("FTDR Act"), applicable for the Financial Year 2021-22, presently in force in India.

The Company is primarily engaged in the business of manufacturing and sale of *Mushroom, French Fries and other Frozen Food Products*. There are no significant changes in which the entity operates or in competition. The FMCG sector is not seasonal, so the Company does not have any cyclical or seasonal activity. The final product is primarily sold to its Customers (Distributors). The Company has active GST registered under 02, 07 and 24 States/UTs.

Special tax benefits available to the Company

- i. The Company exports goods without payment of GST under a Letter of Undertaking and no Customs duty is applicable on such exports.
- ii. The said goods are also supplied by the Company in domestic market which attract GST at the prescribed rates.
- iii. Further, the Company supplies "Mushroom" having HSN Code 07095100 which is exempted under GST and accordingly reverses the proportionate input tax credit on account of exempt supplies.
- iv. Given that the Company is engaged in exports of ready to eat food products, the Company will apply for benefit under the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme under Foreign Trade Policy.
- v. The Company also avails duty drawback benefits on Export of ready to eat food products.
- vi. Apart from the above, no other special Indirect tax benefits are available to the Company under the indirect tax regulations in India..

For Himalaya Food International Limited
For Himalaya Food International Limited


Managing Director

Man Mohan Malik
Managing Director
Place: Delhi
Date: June 10, 2024

SECTION IV- ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this Draft Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" beginning on pages 16 and 74, respectively of this Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' beginning on page 16 of this Draft Letter of Offer

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 6-7 years, backed by its robust democracy and strong partnerships.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum.

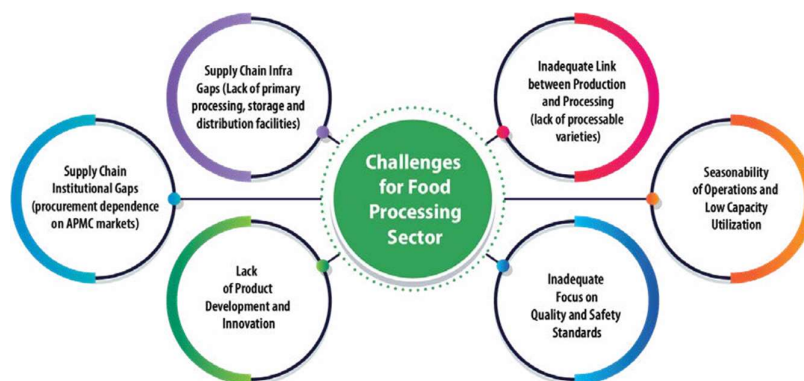
Food Processing Industry in India

Food Processing sector emerged as an important segment of the Indian economy in terms of its contribution to GDP, employment and exports. India's food processing sector is one of the largest in the world. The rise in the preference for processed food is driven by two worldwide consumer megatrends

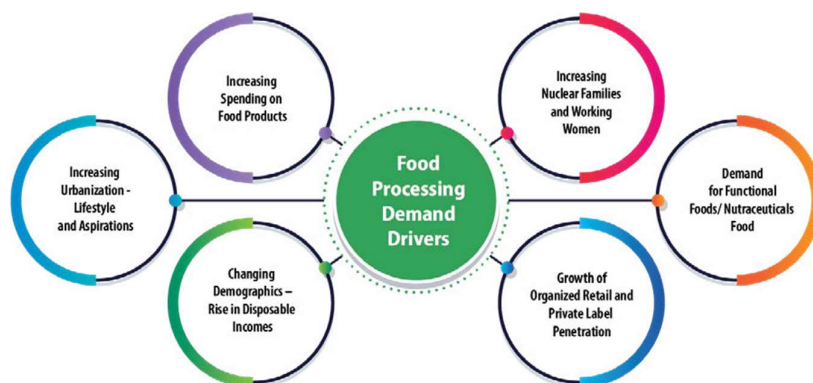
- The increasing demand for convenience
- A growing emphasis on health and wellness

Food Processing Sector–Major Challenges:

The major challenges being faced by the sector are illustrated below: -



Food Processing Sector –Growth Potential:



(Source: Ministry of Food Processing Industries)

India Mushroom Industry- Overview

India was a late starter in mushroom production and there were very limited units in 60s. Many commercial units came up in different parts of the country for production of button mushroom based on the technical knowhow from outside. Only some of these could succeed. In the last decade there is spurt of mushroom units in all parts of the country, most of which are focusing on production of button mushroom which accounts are majority of total mushroom produced. About ten percent of button mushroom is contributed by seasonal growers. In India, mainly four types of mushrooms, viz., button, oyster, paddy straw and milky mushroom are cultivated.

Market Scenario:

As per ICAR (Indian council of agricultural research) consumption of Mushrooms in India is 0.1kg/per capita, which is at a very low level compared to 3.5 KG per capita consumption in the Western countries.

The mushroom exporter in India exports various varieties of mushrooms including White button mushrooms, Portobello mushrooms, Oyster mushrooms so on and so forth.

Fresh and Processed Mushrooms:

The fresh form dominated the mushroom market with major revenue share. Fresh mushrooms are witnessing a considerable upsurge in demand from the past few years owing to an increased number of consumers focusing on organic and unprocessed food consumption to gain maximum health benefits of the product. The distribution of fresh form is challenging for the manufacturers or distributors due to their limited shelf life. However, increasing technological advancements such as the use of modified atmosphere packaging have curbed the challenges associated with the limited shelf life of mushrooms, thereby favoring segment growth.

The mushrooms are majorly distributed through the supermarkets and hypermarkets segment in US. In developed regions, such as Europe and North America, the penetration of supermarkets and hypermarkets is higher than that in the developing regions.

Application Insights

Mushrooms are rich sources of various bioactive compounds such as polysaccharides, triterpenes, polyphenols, proteins, amino acids, and organic germanium. Thus, the extracts are utilized as an ingredient in formulating several medicinal or supplement products that are used for hypertension, diabetes, sleeplessness, immunity-boosting, vitality, hypercholesterolemia, and cancer. Mushrooms are rich in several key skin benefitting compounds such as phenolics, polyphenolics, terpenoids, selenium, polysaccharides, and vitamins, which show excellent antioxidant, anti-aging, anti-wrinkle, skin whitening, and moisturizing effects. Furthermore, consumers

are showing a positive response for products with natural or clean label tags. Thus, in line with changing consumer demands, cosmetic companies are increasingly introducing mushroom-based skincare.

Regional Insights

China, Japan, Malaysia and India make up some of the largest markets in the Asian region. China emerged as the largest producer in the region. The Asia Pacific region has more prevalence of the traditional medicine systems, including Ayurveda and Traditional Chinese Medicines, which make use of several species of mushroom for the treatment of various diseases. Low calorie and high nutritional values, coupled with their immunity-boosting properties, are expected to drive the demand for mushrooms in the region.

Competition

Companies such as Nuvedo, the mushroom company, Gourmet Mushroom Company, Agro Dutch Industries, Bonduelle Group are the key players in India mushroom product industry.

While the market is fragmented with several industry participants, it is still dominated by a few major players. The market players focus on offering a wide range of products to cater to various tastes and health needs. Furthermore, the adoption of competitive strategies like mergers, acquisitions, partnerships, etc., is also very prominent among the industry players.

French Fries Market opportunities:

The Indian frozen potato products market is growing rapidly. Potato is one of the most produced and consumed crops in India and forms an important part of the regular diet. It is consumed in the form of different snack foods as well as elaborate dishes. Some of the most popular potato snacks include wedges, fries, patties, etc. In recent years, the demand for frozen potato products in India has increased on account of their introduction by various national and multinational companies. Additionally, frozen potato products have rapidly gained prominence in the country as they are convenient to cook and come in a large variety of flavours and shapes.

Frozen potato products are snack food items that are made from potatoes. They are usually baked or fried items like wedges, French fries, patties, and hash brown. In recent years, the demand for frozen potato products has escalated as they are a rich source of nutrients and vitamins. They offer longer shelf life, are easy to store, and aid in portion control for regulating intake.

This upward trend is expected to persist, propelling the market size to an impressive growth. A key catalyst for the french fries market growth is the surging demand for ready-to-eat products, which are redefining convenience in the culinary world.

Leading Manufacturers in India includes: McCain Foods (India) Private Ltd, Hyfun Frozen Foods and Iskon Balaji Foods.

Indian Frozen Potato Products Market Trends:

The market is primarily driven by the increasing shift in dietary preferences and hectic lifestyles that have increased the consumption of fast food and ready-to-eat products among individuals. In addition, the growing number of key food chains such as KFC, McDonald's, and Burger King are also fueling the growth of the market as frozen potato products are widely utilized across food chains and restaurants.

The growing dependence on ready-made products by nuclear families and young professionals that live alone are significantly influencing the market growth. Furthermore, the ongoing changes in lifestyle and rapid urbanization are also escalating the demand for frozen potato products across India. Breakup by Product Type: French Fries, Tikkis, Potato Wedges, Potato bites, Smileys, and Others

French Fries: Global market opportunities and Exports from India

A little more than one-third of all U.S.-grown potatoes are manufactured into frozen products, majority of which are french fries. Processed potato products, which include frozen, chipped, dehydrated, and canned, have become market drivers, spurred by decades of explosive growth in the quick service restaurant industry.

French fries are a popular snack made by slicing potatoes into even strips and deep-frying them. They are commonly sold in restaurants, fast-food chains, and food stalls. The rise in demand for ready-to-eat (RTE) food is expected to drive the growth of the French fries market. RTE foods are pre-cleaned, pre-cooked, and ready to consume without any prior preparation or cooking. French fries, being a favorite fast-food item, contribute to this trend.

The French Fries Market is segmented into fresh and frozen. The concern of consumers regarding standard taste which they expect, is driving the type of frozen fries. When people go to fast-food restaurants they notice that the fries are frozen. People often believe that fresh means better taste and quality, but the texture and taste of fresh-cut fries can vary greatly due to differences in potato oil, temperature, and moisture, causing inconsistency.

French Fries Market Dynamics:

Growing popularity of online food delivery.

The number of quick-service restaurants is increasing across the globe.

Ready-to-eat snacks and convenience foods are in high demand.

The popularity of western food among youths in Asia and Rest of the World.

The North American region is expected to hold the highest share in the French Fries market.

The following are some of the major players in the worldwide French fry market: Mc Cain Foods Ltd, J.R. Simplot Company, Lamb Weston Holdings Inc., Farm Frites International B.V., Aviko, Ore-Ida, Cascadian Farm Organic, and Alexia Foods.

OUR BUSINESS

Some of the information contained in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties.

This section should be read in conjunction with the sections titled “Risk Factors”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 16, 49 and 115, respectively, as well as the financial information included in the section titled “Financial Statements” on page 74. Unless otherwise stated, the financial information used in this section is derived from our Audited Consolidated Financial Information for the financial year 2023-2024 & Unaudited Financial Results with Limited Review Report for three months ending on June 30, 2024.

Our actual results of operations may differ materially from those expressed in or implied by these forward-looking statements.

Overview of Our Business

We are engaged in the production of different range of products, including mushrooms, French fries, fried and frozen potato products, appetizers, canned mushrooms, as well as Indian sweets and snacks. Our primary market is North America, where we supply our products through our promoter group company, Himalaya International Inc. (doing business as Global Food Trade) based in Cheyenne, Wyoming, USA. In the domestic Indian market, we offer fresh and canned mushrooms. We have been one of the leading Mushroom Grower and processor in the country.

Currently, Company has following production lines:

1. Mushrooms
2. French Fries
3. Baked Potato skins
4. Hash Browns & Burger Patties
5. Garlic Toast
6. French Toast sticks
7. Indian sweets & samosas

Our products are manufactured at our facilities located in Vad Nagar Gujarat, and Paonta Sahib Himachal Pradesh. The Vad Nagar facility is equipped with advanced technology to grow and process mushrooms, with a capacity of 30 metric tons per day, which can be expanded to 50 metric tons through automation upgrades. This facility features 180,000 square feet of insulated growing houses, ensuring year-round production. The strategic location of the Vad Nagar plant offers logistical advantages, being close to shipping ports and agricultural regions that provide essential raw materials

In addition to mushrooms, our company has 4.5 TPH French fry production line that was initially set up in 2011. However, a fire in May 2022 destroyed much of the facility. We are in the process of installing a new 10 metric tons per hour French fry line, imported from Europe, which is expected to significantly boost production capacity. This new line will primarily cater to export markets in North America and other regions, capitalizing on the growing demand for frozen potato products.

Our company is committed to maintaining high standards of quality and safety and employing quality control measures throughout its production processes. We have established a strong reputation in the market for our premium mushroom products, marketed under the "Himalya Fresh" brand in US Market, and is poised for growth as it adapts to changing market demands and expands its production capabilities.

We have obtained some certifications to ensure the quality and safety of its products. Our Vad Nagar plant is certified under FSSC 22000, an international certification scheme for food safety management systems. This certification ensures the provision of safe food, feed, and packaging to the consumer goods industry and is valid

until July 19, 2025. Additionally, we hold a center license issued by FSSAI under the FSS Act 2006 for manufacturing various food, vegetable, and dairy products, valid until April 19, 2027.

Business History

Our company was on growth path till F.Y.2012-13 with our revenue from operations of Rs.16,667.94 Lakhs & PAT of Rs.5,316.40 Lakhs. In October, 2011 we had entered into a shareholders agreement with Simplot India LLC (an affiliate of JR Simplot Company, a leading US based French Fries producer and potato processor) to establish a joint venture for production of French fries and other products. To set up the plant to accomplish the business under the said joint venture, we availed secured loan from Consortium of Banks. However, a dispute arose with the JV partner in FY 2012- 2013 and joint venture did not work out and became defunct. Due to exclusivity clause under the JV agreement, we could not market the products ourselves. As a result our business was impacted adversely and we started incurring huge losses directly & indirectly.

In an attempt to bounce back; in the year F.Y. 2017-2018 we ventured into the retail domestic market of our products by opening franchise stores in Delhi NCR. Retail business requires large working capital and the company was short on this front, so we could not go ahead in the domestic market due to working capital constraints.

Our Banks accounts were classified as NPA by Banks in the Year 2018-2019. On our request, Consortium Banks led by SBI approved OTS Scheme based on our commitment to the Business and Export Potential of our products. The total OTS amount approved by Consortium Banks was 8280 Lakhs. In spite of substantial decrease in production, first during Covid epidemic 2020-2022 and secondly due to major fire at Vadnagar Plant in May, 2022, we continued operation of our plants though at a much less capacity. The OTS amount was to be re- paid by December 31, 2022, however due to reasons explained above and non-availability of working capital, we have not been able to repay the amount in full. Our company have so far paid an amount of Rs. 5759 Lakhs up to September 30, 2024 from internal accruals & unsecured loans from Promoters Group. We have requested bankers to give more time at least up to March 2025 to repay the balance OTS amount and interest thereon. In this regard, in the last meeting with consortium bankers on July 5, 2024, bankers agreed in principal to the compromise amount of Rs. 4300 Lakhs to consortium payable by March 31, 2025, and agreed for putting up the same to their respective sanctioning authorities for sanction/approval.

Salient Features of Shareholders Agreement with Simplot India LLC.

On October 6, 2011, we entered into a shareholders agreement with Simplot India LLC (an affiliate of JR Simplot Company USA) to establish a joint venture company in India to be called "Himalaya Simplot Pvt. Ltd". As per shareholders agreement the HFIL would produce the food products and sell them to Himalaya Simplot Pvt. Ltd.(HSPL) Himalaya Simplot Pvt. Ltd. would then act as an exclusive sell agent for those food products, in which Simplot India Private Limited provide expertise and brand reputation assistance.

1. Business Purpose

The business purpose of the Company ("Business Purpose") shall be: (A) to engage in the business of marketing and selling food products ("Products") which shall be produced by HIL (Himalaya International Limited now HFIL), including the following Product categories ("Product Categories"): (i) frozen potato products and breaded and battered appetizers, including vegetable and mushroom nuggets and patties, (ii) shelf stable products, including canned soup, vegetables and other canned products, excluding, however, canned mushrooms, and (iii) such additional products, including chilled dairy products, as may be determined by the Board of Directors from time to time; (B) to enter into any other lawful business, purpose or activity in which a private limited company may be engaged under Applicable Law (including the Act), as the Board of Directors may determine from time to time, subject to and in accordance with the terms and conditions of this Agreement and the Constatting Documents; and (C) to enter into any lawful transaction and engage in any lawful activities in furtherance of the

foregoing Business Purpose and as may be necessary or incidental to, connected with or arising out of the Business Purpose in accordance with the terms and conditions of this Agreement and the Constatng Documents.

2. *Product Channels.*

The Company will market, distribute and sell the Products in the following initial marketing and sales channels ("Product Channels"):

- a. Indian retail and food service channels; and
- b. export channels to other Asian markets, as and if determined by the Board of Directors.

3. *Exclusive Selling and Distribution Agent*

During the Term of this Agreement, the Company shall act as the exclusive marketing, selling and distribution organization for HIL for the Products in the Product Channels, as each may change from time to time during the Term of this Agreement.

4. *Payment for Product*

The transfer price ("Transfer Price ") from HIL to the Company for all Products shall be equal to 70% of the Net Sales Value of such Products to the Company's retail to the Company for all customers, and 73% of the Net Sales Value of such Products to the Company's foodservice customers; provided, however, that the foregoing percentages shall be set at 66% and 69%, respectively, for a period of time which is the longer of six months from the date when the Company commences commercial operations or the date when the Company reaches break-even profitability for a financial quarter.

5. *Branding/Trademarks*

All Products produced by HIL for sale by the Company shall bear HIL and/or Simplot branding/trademarks, as determined by the Board of Directors, or shall bear private labels, as applicable.

6. *Composition and Qualification of Board of Directors*

The Board of Directors initially shall consist of four individuals (each such individual, a "Director"), two of whom shall be appointed by Simplot and two of whom shall be appointed by HIL.

7. *Event of Default*

- i. An "Event of Default" shall occur if a Member (the "Defaulting Member") fails to perform any material obligation under this Agreement or any other agreement with the Company to which it is a party.
- ii. Upon the occurrence of an Event of Default, the Company and the other Member (the "Non- Defaulting Member") shall each have the right to deliver to the Defaulting Member notice (a "Notice of Default").

Our Product



1. Mushroom:

We farm and grow premium mushrooms, including white button mushrooms, criminis, and portobello mushrooms. Himalaya Fresh's mushroom farming is a fully vertically integrated operation. We produce our own compost and have our own spawn lab to create mushroom spawn, which is the starting material similar to seeds for plant propagation. Spawn consists of a mixture of mycelium (the root-like structure of a fungus made up of branching, thread-like hyphae) and steam-sterilized grain.

Our facilities include 180,000 square feet of insulated growing houses that allow us to cultivate mushrooms year-round, along with a processing facility to pack fresh, canned, and frozen mushrooms. Our mushroom appetizers include Mushroom Nuggets, Battered mushrooms, Portobello mushroom fries, Portobello mushroom burger patties, and more. Since 1996, we have been marketing our mushrooms under our own brand, HIMALYA FRESH, which are well accepted in market due its quality.

Mushroom farming is currently conducted at our Vad Nagar unit, where we have an installed capacity to produce 30 metric tons per day of fresh mushrooms.

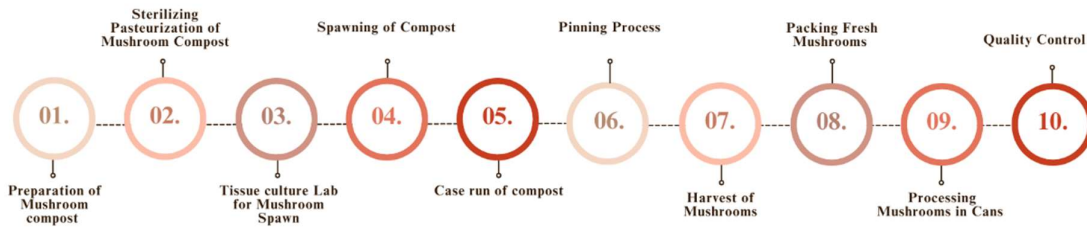
Process of Mushroom

The mushroom growing process is controlled and involves these stages such as compost preparation, pasteurization, and the cultivation of mushroom spawn, all designed to maintain optimal conditions for high-quality mushroom production. This proximity not only enhances the supply chain efficiency but also supports the company's goal of consolidating production activities and expanding its market reach.

At our Vadnagar site, we have a total land area of 208,494 square meters, with 64,000 square meters dedicated to growing mushrooms. Our current capacity is 20 metric tons per day of fresh mushrooms, which can be increased to 30 metric tons per day with automation and technical upgrades.

The mushroom growing process involves several stages, and we use Pennsylvania-style double mushroom growing rooms. We have three blocks of growing rooms, each capable of holding 100-110 tons of spawned compost. In total, we have 60 growing rooms, covering a growing area of 0.6 million square feet. These rooms

are made from insulated PUF panels and are environmentally controlled with sophisticated temperature control systems, allowing us to grow mushrooms all year round.



1. *Preparation of Mushroom Compost:*

We have a large area for compost preparation with 12 bunkers. Agro waste materials like straw, hay, chicken manure, de-oiled cakes, and gypsum are mixed using our proprietary process. These bunkers have air flow systems for aeration, which helps in the digestion of raw materials, creating nutrient-rich compost for growing mushrooms. This process takes 12-15 days.

2. *Sterilizing and Pasteurization of Mushroom Compost:*

We use 7 bulk pasteurization tunnels with bottom aeration, each with a capacity of 500 MT/month. These tunnels are equipped with temperature and ammonia sensors to ensure the compost is free from ammonia before moving to the next step. The pasteurization process, which takes about 7 days per batch, involves raising the compost temperature to eliminate pathogens, followed by conditioning to develop beneficial microflora for mushroom growth.

3. *Tissue Culture Lab for Mushroom Spawn:*

Our tissue culture lab uses imported mother culture from the USA to develop mushroom spawn. The spawn-making process involves inoculating sterilized pearl millet with a small tissue-cultured germ plasm from the mother culture under sterile conditions. After inoculation, the mycelium spreads through the millet at 25 degrees Celsius. The ready spawn is then stored in a cold room to prevent further growth. This process takes about 21 days.

4. *Spawning of Compost:*

Mushroom spawn is added to the sterilized compost in a controlled, sterile environment. The spawned compost is then packed into bags and placed in growing rooms. The spawn run process, which takes 12-14 days at 24-26 degrees Celsius, allows the mycelium to take hold and form capillaries for nutrient transport.

5. *Case Run of Compost:*

A layer of peat moss and coir dust is added to each compost bag in the growing room to maintain moisture and support pin formation. This case run process takes about 7 days at 24-26 degrees Celsius.

6. *Pinning Process:*

Once the case run is complete, indicated by white mycelium on the casing surface, we lower the temperature by 7-8 degrees and reduce carbon dioxide levels to promote the vegetative stage for mushrooms. Pins appear within 8-10 days, and heavy watering helps them grow.

7. *Harvest of Mushrooms:*

Mushrooms are picked by hand when they reach 40-50 mm in diameter. Two flushes of mushrooms are harvested in 14 days, and the entire process from spawning to harvesting takes about 45 days. We aim to achieve 8 crops per year from each growing room.

8. *Packing Fresh Mushrooms:*

Fresh mushrooms are packed and sold in sellable units. Selling fresh mushrooms is a priority as it brings better cash flow and higher price realization compared to processed mushrooms.

9. *Processing Mushrooms:*

Some mushrooms are processed into cans or frozen. The mushrooms are washed, blanched, and sterilized in cans at 121 degrees Celsius. These cans are labelled and sold to distributors in India and exported in large-sized cans for the food service market.

10. *Quality Control:*

We have a comprehensive quality assurance plan in place to ensure all products meet food safety and quality standards. Various quality control tests are conducted, and we follow HACCP (Hazard Analysis and Critical Control Points) processes for all products. Our dedicated QA team oversees this process.

Raw Material:

The primary raw materials required in the process for growing mushrooms are agricultural waste like wheat straw, mustard straw, chicken manure, de-oiled cakes, and gypsum, all of which are locally available. Mushroom spawn is made in-house at our tissue culture lab from imported mother culture.

2. French Fries:

Our company established a French fry plant at Vad Nagar in 2011, with a capacity of 4.5 MT per hour (24,000 MT per annum).

In October 2011, we formed a 50-50 joint venture company, Himalaya Simplot Private Limited, with JR Simplot of the USA through its subsidiary, Simplot India LLC. (For details on the key features of the JV, which was primarily formed for marketing and selling food products produced by HFIL.

We began producing French fries in 2012. However, sales volumes were low, and this issue was discussed with our JV partner. After some deliberation, the JV partner proposed purchasing the French fry and specialty product lines, and a master agreement was signed to accomplish this. A dispute arose between the partners on utility and finance costs to be loaded on the product. In March 2013, the JV partner abandoned the Vad Nagar facility, removed critical parts of the plant and machinery, and locked the French fry production plant, rendering it inoperative.

As a result of the JV partner's actions, our company was unable to continue production, leading to significant losses in the following years. The company's net worth turned negative as our financial condition suffered severe setbacks. We were unable to service our debt to the banks, which were secured lenders. The litigations between our company and Simplot India LLC are currently pending before the Honorable Delhi High Court. For details of these litigations, please refer to the chapter on *Legal and Other Information*, beginning on page 125 of this draft letter of offer.

Current Status

In May 2022, a fire at Vad Nagar destroyed all of our processing plants except for the mushroom operations. Our company was exporting a portion of our French fry production and specialty potato products under the Chef Ernesto brand to the US market.

Due to the growing demand for our French fries, we decided to import a 10 MT/hour (54,000 tons per annum) French fry production line from Kiremko, a leading European manufacturer of potato processing lines based in the Netherlands. We are currently in the process of installing and commissioning this line, with production expected to commence within the next 12 to 15 months.

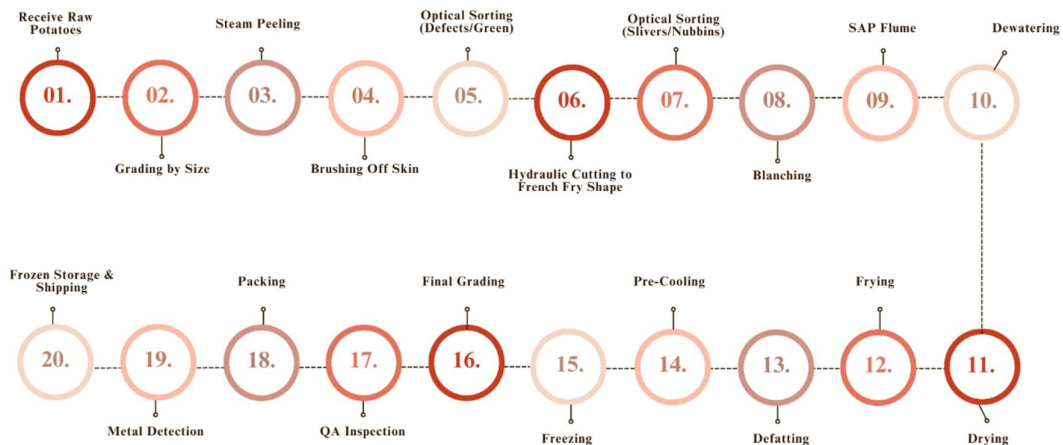
Once the new line is operational, French fries will become our largest volume product. The majority of production from this 10 MT/hour plant will be exported to North America, the Far East, the Middle East, and SAARC nations. In the Indian domestic market, we plan to begin sales in the food service/HORECA sector, with products packed in 2.5 kg bags. After a full year of successful production for the food service segment, we intend to re-enter modern retail chains.

In upcoming year, French fries are expected to become the company's largest revenue generator. This is due to our large production capacity, the booming market demand, and the strategic location of our plant in Northern Gujarat—a key region for growing specialty potatoes required for French fry production. These potatoes are large in size and have high solids content. Additionally, the plant's proximity to the shipping ports of Gujarat and Maharashtra enhances our export capabilities.

To ensure the success of our French fry operations, we are also in the process of establishing our own tissue culture lab. We will source mini tubers from reputable labs in the US and the Central Potato Research Institute (CPRI). We have begun the process of obtaining the necessary licenses from CPRI to set up the lab and secure licensing for their new varieties of potatoes suitable for French fry production.

Moreover, the company is reviving its contract farming operations, which were initially launched in 2009-2010 but disbanded after a joint venture failure. We are setting up a new agricultural procurement wing to plan, grow, and procure the required quantity of potatoes for our French fry operations. We will contract with multiple farmers within a 100 km radius of Vad Nagar, providing them with seeds, good agricultural practices, and various inputs needed to achieve optimal crop yields.

Process of French Fries



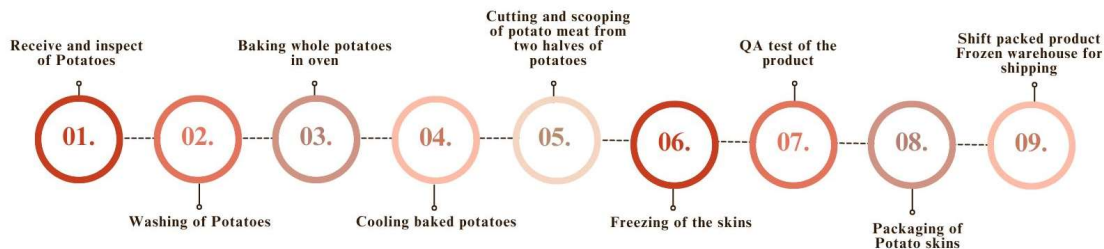
1. *Receiving Raw Potatoes:* Potatoes are received in bulk trucks.

2. *Grading Potatoes:* Potatoes are graded by size using a potato grader.
3. *Steam Peeling:* Potatoes are peeled in a steam peeler using high-pressure steam, which loosens the peel without cooking the potato.
4. *Skin Brushing:* Potatoes exiting the steam peeler have their skin removed by brushing.
5. *Optical Inspection:* Peeled potatoes are inspected by optical sorters to remove any defective or green potatoes.
6. *Cutting to French Fry Shape:* Potatoes are cut into French fry shapes using a hydraulic water cutter.
7. *Sliver and Nubbin Removal:* Slivers and nubbins are removed using an optical sorter.
8. *Blanching:* The cut potato fries are blanched in multiple blanchers, depending on the age and sugar content of the potatoes.
9. *SAP Flume Passage:* Blanched potato strips pass through an SAP flume.
10. *Dewatering:* The potato fries are dewatered to remove excess water.
11. *Drying:* Fries are dried in a dryer with controlled temperature, airflow, and travel time to increase solids by about 2-3% before frying.
12. *Frying:* Raw potato fries are fried in a specialized fryer using high-pressure steam to achieve a frying temperature of 190°C.
13. *Defatting:* Excess oil is removed from the fried potatoes.
14. *Pre-Cooling:* The fries are pre-cooled in a blast of chilled air in the pre-cool tunnel to save energy used in the freezer.
15. *Freezing:* Fries are frozen to -18°C in a specialized fluid bed freezer.
16. *Final Grading:* Frozen fries are graded by an optical sorter to remove any spotted or short fries.
17. *QA Inspection:* Frozen fries undergo QA testing for solids and length, ensuring they meet USDA standards.
18. *Packing:* Fries are packed in final packaging using form-fill-and-seal machines.
19. *Metal Detection:* Packed bags are passed through a metal detector.
20. *Frozen Storage and Shipping:* Packed fries are moved to a frozen warehouse for storage and staged for shipping.

3. Baked Potato skins:

Our company started producing frozen baby potato skins in the year 2000. In 2022, we began producing larger-sized baked and frozen potato skins for the US market. This unique product is supplied to major restaurant chains like TGI Fridays in the US. Restaurant operators fry these potato skins and stuff them with cheese and/or meats before serving them to customers. Potato skins are an important menu item for major restaurants in the US.

Process of Baked Potato Skins

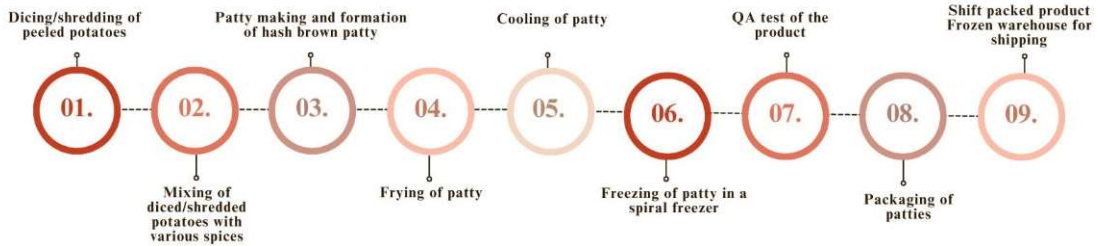


4. Hash Brown & Burger Patties:

We have been packaging hash brown patties and burger patties, for the past 15 years. These products are offered to the US market under our own brand, 'Chef Ernesto,' as well as under private label brands. Himalaya's frozen

fried appetizers are available in numerous stores and retail chains across the US through our Promoter Group Companies.

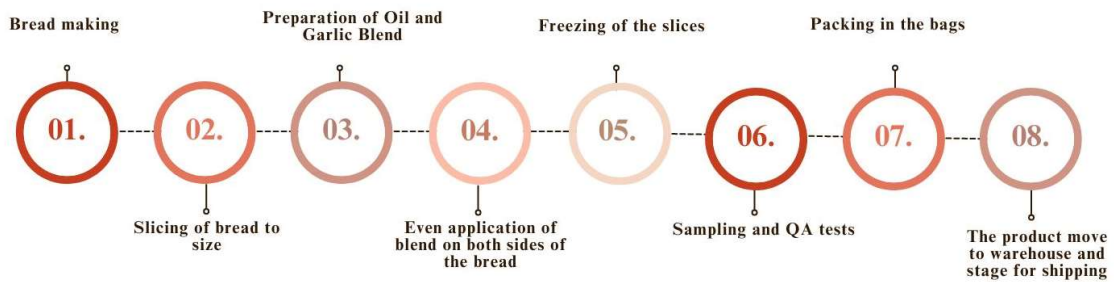
Process of Hash Brown & Burger Patties



5. Garlic Toast:

This is a new item we have begun processing and shipping to the US market. Our company packages it in both customer-specific packaging and food service packaging for the restaurant trade.

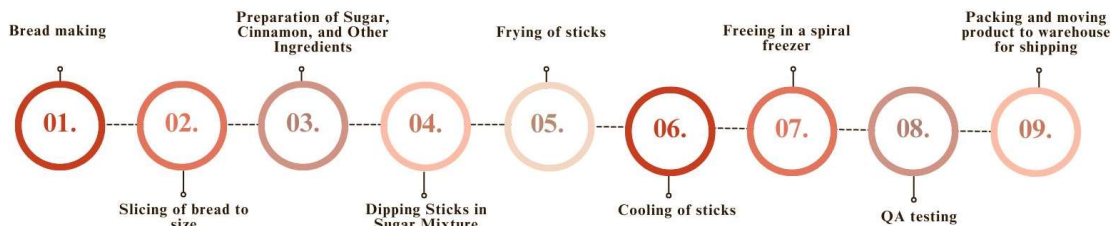
Process of Garlic Toast



6. French Toast Sticks:

We have been processing French toast sticks for several years and have recently expanded our customer base for this product. It is packaged in both retail and food service for the US market.

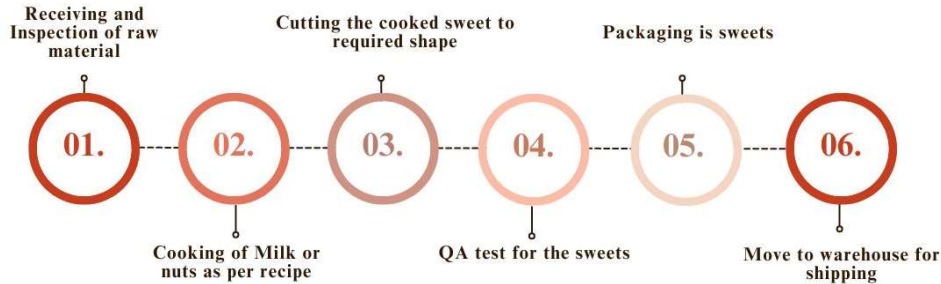
Process of French Toast Sticks



7. Indian sweets:

We were early pioneers in developing individually Quick-Frozen sweets and samosas with a long shelf life of up to two years. Himalaya Fresh-branded sweets have been available in the US market since 1998. Our branded sweets are carried by over 1,600 Indian stores in the US. Our milk cake and cocktail samosas are standout products in the US market.

Process of Indian Sweets



Our Competitive Strengths

- **Experienced management and dedicated team officials:**

Our Managing director, Mr. Man Mohan Malik has experience of 40 years in managing various businesses including growing different types of mushrooms, manufacturing & export of Mushroom based products, Cheese, Sweets and Appetizers. He has been involved in setting-up the Second plant at Vad Nagar in Gujarat with large capacities to produce Mushrooms, French-fries & Appetizers in the year 2012. He is a leader focused on talent management and customer strategies, R&D and innovation, reducing non-valued activities, thereby increasing the productivity of the Organization. He looks after overall operations of both plants of our Company. Our Company has been able to export its Products in the US Market for more than 25 years.

Our executive director Mr. Sanjiv Kakkar has more than 37 years of experience of export & marketing of our products in North American Markets. He is looking after the export & sales of our Company’s products in the US Market. He has a keen understanding of Supply Chain Management as well. He has deep knowledge of product-mix as per needs of the American consumer, sales price determination for export.

In addition, we have an experienced team of officials, which positions us well to capitalize on future growth opportunities. Our workforce includes experienced senior executives, many of whom have been associated with our business for a long time. We believe that our management team and other key management personnel have requisite industry expertise.

- **Established Brands and Market Strengths**

Our mushroom and other frozen products are marketed under popular “Himalaya Fresh” and “Chef Ernesto” brands. We focus on a diverse range of quality products, to meet customers’ requirements in the marketplace. Our strengths include innovative packaging, and effective pricing strategies. We believe that these qualities will enable us to develop strong brand recognition and consumer loyalty in our key markets in India and abroad.

We are one of the largest mushroom growers in India. Customers associate our brands “Himalaya Fresh” and “Chef Ernesto” with high quality Mushroom products & appetizers that incorporate quality, taste and price. We believe that a strong and recognizable brand is a key strength in our industry, which increases customer confidence and influences purchase decisions.

We have developed our recipes and products based on extensive understanding of our key markets with a focus on improving the quality standards. Our focus on quality, product range and effective pricing have enabled us to develop strong brand recognition and consumer loyalty in our key domestic and export markets.

- **Diversified portfolio of products focused on various consumer segments:**

Our team has an understanding of the Indian & North American market in the French Fries, Mushrooms & appetizer category which complements our product development capabilities. We have developed a comprehensive offering of Mushrooms, French Fries, Potato Products, Appetizers, Canned Products, Indian Sweets & Samosas. We strive to maintain a consistent product pipeline at our manufacturing facilities and our relationship with our raw ingredient suppliers. This helps our manufacturing facilities to operate efficiently. Our focus on developing quality and diversified products allows us to stand out from our competitors,

- **Strategically located manufacturing facilities with stringent quality standards:**

Our company has center license issued by FSSAI under FSS Act 2006 for manufacturing of various food, vegetable and dairy product the license is valid up to 19 April, 2027. The existing Manufacturing Facilities at Vadnagar in Gujarat is built on 208494 square meters land for large scale operations and strategically located in proximity to

- Key raw ingredient supplies
- Centers of distribution
- Mundra Port for Exports

This results in reduced freight and efficient logistics. Our manufacturing facilities have Modern equipment incorporating new technology and automated systems. The Paonta Sahib, Himachal Pradesh is well connected to major Mushroom consuming markets in Northern India.

- **Stringent Quality Control:**

We maintain stringent quality control across the entire production chain, including sourcing, processing, manufacturing, packaging and distribution. Specifications are laid out for raw ingredients and same is adhered to ensure quality sourcing. We are committed to ensure enhancement in customer satisfaction for our entire range of Mushrooms & other Appetizer products. This is achieved by consistent monitoring of our Quality assurance systems. Our plant at Vadnagar, Gujarat has been certificate under FSSC 22000 an international certification. FSSC 22000 offers a certification Scheme for the auditing and certification of Food Safety Management Systems to ensure the provision of safe food, feed, and packaging to the consumer goods industry. The certificate is valid upto 19 July, 2025.

Packaging

The primary packaging materials we use include mono films such as polypropylene and low- or high-density polyethylene. Additionally, we use mono cartons and master cartons made from virgin Kraft paper. These materials are procured from established suppliers through monthly purchase orders. We utilize automated packaging machines to pack our products in various sizes. For secondary packaging, we use duplex boxes, while for tertiary packaging, we employ airtight cartons and corrugated boxes to protect the primary and secondary packs throughout the sales and distribution process.

Power

We have a sufficient power supply from the state power distribution company. The power infrastructure for our facility at Ponta Sahib is 1 MW, and for our Vad Nagar plant, it is 4 MW.

Quality Control

We place great emphasis on quality assurance and product safety throughout the manufacturing and packing process. Quality monitoring begins with the procurement of raw and packing materials and continues until the final product is packaged and ready for distribution. Our dedicated quality assurance make ensure that employees across the supply chain—from procurement to sales and marketing—receive adequate training in quality assurance.

Our QA team is responsible for ensuring compliance with quality management systems, statutory and regulatory standards, and updates on quality, regulatory, and statutory requirements. We adhere to the standards set by our institutional customers and enforce stringent quality control measures for our raw material and packing material suppliers. On-site inspections and routine audits are conducted to ensure a constant supply of quality products. Additionally, we perform on-site sampling for independent testing of all materials, including primary and secondary packaging, to verify that they meet our specifications in terms of color, odor, taste, appearance, and nutritional content.

We maintain our facilities and machinery and conduct manufacturing operations in compliance with applicable food safety standards, laws, regulations, and our internal policies. Our key QSR customers periodically audit and approve our manufacturing facilities and processes, helping us establish long-term relationships with them. We also inspect product samples on the assembly line and perform batch-wise quality inspections to ensure compliance with food safety standards and regulations.

Capacity Utilization

The following tables set forth the annual installed capacity of our manufacturing facilities for each plant respective period mentioned below:

		Installed Capacity (In MT)			Utilised Capacity (In MT)		
		2022	2023	2024	2022	2023	2024
Facility 1- Gujarat	Mushroom	10,000	10,000	10,000	1,067	1,130	1,235
	FF Line	10,000	-	-	904	-	-
	Appetizers	12,000	-	-	1,164	150	-
Facility 2 Ponta Sahib	Mushroom	4,600	4,600	-	796	535	-
	FF Line	-	-	-	-	-	-
	Appetizers	6,000	6,000	6,000	105	1,680	1,230

The capacity utilization has been low in last 3 yrs due to impact on operation on account of corona pandemic from the year 2020 to 2022 and also due to destruction of French fries plant in a major fire in May 2022 at our Vad Nagar plant.

Export Sales and Distribution

Our products are primarily exported to North America through our promoter group company, Himalaya International Inc. (doing business as Global Food Trade), with whom we have a Memorandum of Understanding (MOU) since 2002. This arrangement has been extended for an additional three years, as per the MOU dated June 17, 2023. In the financial years 2021-2022, 2022-2023, and 2023-2024, export sales generated revenues of Rs. 3,412 lakhs, Rs. 4,533 lakhs, and Rs. 2540 lakhs, respectively, accounting for 53.76%, 66.30% and 54.51% of our total revenue during these periods, North America remains our most significant market.

The distribution and marketing strengths of Himalaya International Inc. (doing business as Global Food Trade) in the USA allow us to effectively respond to market demand and evolving consumer preferences. Our products are

available in thousands of stores across North America and on Amazon. The US market is overseen by Mr. Sanjiv Kakkar, our Executive Director and as well as promoter of Himalaya International Inc.

Upon receiving demand from US stores, our US based promoter group company sends purchase orders for the products. Global food trade utilizes various public warehouses in North America. We entered into a marketing and consignee agreement with our Promoter Group Company in 2002, which has been regularly extended. The current agreement/MOU, executed on June 17, 2023, is valid for three years.

The consignee agent manages order placement based on projected monthly demand for each product and the desired arrival date of containers at US ports. The consignee agent handles all customs procedures, pays customs duties and logistics expenses, and sells the products. They remit all proceeds after deducting expenses incurred on the shipment and an 8% sales commission. The consignee agent is responsible for all sales-related expenses, office expenses, and travel out of the 8% commission.

The Salient Feature of the Memorandum of Understanding dated 17th June 2023 made between Himalaya Food International Limited & Himalaya International Inc.

M/s Himalaya International Inc., dba Global food trade (GFT) of Wyoming State USA with registered office at 1712 Pioneer Ave. #500, Cheyenne, WY and Admin office at 100 canal Pointe Blvd., #114D Princeton-08540, New Jersey (USA) hereinafter called "Global" (which expression shall unless it be repugnant to the context or meaning thereof, mean and include its successors and assigns) of the Second Party

AND WHERE AS Himalaya has already accepted the offer of Global to be its Consignment Agent vide Memorandum of Understanding since the Year 2002 for the territory of United States of America.

Tenure: Himalaya appoints Global and Global agree to act as company's Consignment agent for North America for the promotion and sale of Himalaya's products in the said area for a further period of three years from the date of this agreement.

Importation: Global shall import products in the United States of America (hereinafter will be referred as USA) and shall be responsible for customs clearance in USA and safe, hygienic storing of these products. Himalaya shall be responsible for all costs, taxes, duties, transportation charges (ocean and inland freight), and other expenses incurred in imports of these products. Global shall also be responsible for compiling with all rules and regulations of USA including federal, states, FDA and/or local laws, as required by the federal authorities.

Marketing and Sales: Global shall market distribute and sell products in North America. Himalaya shall be responsible for all other costs, like custom duties, transportation charges, all of taxes and duties warehousing and brokerages etc. throughout the USA. Himalaya shall be responsible for the quality of the product and any rejections/deductions from final customer shall be on Himalaya's account.

Himalaya will be entitled to issue reasonable directions and suggestions to Global relating to the sale of Himalaya's products or otherwise relating to the agency business during the continuance of the agency and Global will ensure implementation of these suggestions and directions unless and otherwise prevented by law of the land or due to unavoidable circumstances.

GFT (Global Food Trade) shall maintain separate consignment sale account and credit the whole of the actual sales amount as per the invoices raised by it. It shall spend all expenses namely ocean freight, custom duties, inland freight, warehousing and other direct or indirect taxes, levies or other expenses on behalf of Himalaya and shall give separate sheet of such expenses every month to HFIL.

Further GFT shall deduct 8% Commission for its General & Sales expenses to cover all its expenses and margins.

The net amount shall be remitted to HFIL as soon as it's available in the designated Bank account of GFT.

Global shall not pledge Himalaya's goods supplied to them without the consent of Himalaya in writing.

Accounts: Global shall maintain all records of goods received, sales made, amount realized and all record of expenses incurred on behalf of Himalaya.

The parties shall settle accounts respecting the sale of goods and other matters on the 31st March in every year.

Title of Product: Title of the products shall remain with Himalaya will the sale is made to the customer by Global, Himalaya will remain lawful owner of the stocks lying unsold with Global.

Indemnification: Each party agrees to indemnify, hold harmless and indemnify the other party for all claims, actions, demands fines penalties judgements and settlements including related costs expenses and attorney’s fees in any way relating to or arising out that party’s negligent acts as omissions.

Jurisdiction: Any dispute between the parties will be referred for Arbitration and law of Arbitration in USA will be applicable to both the parties. The arbitrator shall be appointed by Global. The decision of the arbitrator shall be binding on both the parties.

Himalaya International Inc. is registered with FDA (US Food & Drug Administration) for manufacturer/processing, packing holding of food for human or animal consumption in United State. The registration expiring date was 31.12.22 and the company has applied for renewal.

Domestic Sales

Domestic marketing is managed from our plants. Our domestic marketing team, consisting of five personnel, is headed by the Vice President of Marketing.

Marketing and Brand Building Initiatives

Our company is developing and maintaining our brands, including ‘Himalaya Fresh’ and ‘Chef Ernesto,’ is crucial to our success. As competitors offer similar products, brand recognition becomes increasingly important. The ability to differentiating our brand through effective branding, marketing, and advertising programs is key to attracting consumers. We also engage in arrangements with stores in the US to enhance our brand visibility.

We have undertaken various outdoor promotional campaigns, offering incentives to distributors to promote our brands. Additionally, we leverage digital channels to promote our premium products and are listed on leading e-commerce platforms in US. Himalaya participates in international trade fairs, providing an opportunity to display our product portfolio and strengthen our brand. Our business scale allows us to focus more on branding and promotion, increasing our visibility and market share to meet the growing needs and preferences of our customers across domestic and export markets.

Competitors

Products	Competitors	
	In India Market	In US Market
Mushrooms	Dr Kurade's Mushrooms Fresh Lawn Mushroom Pvt.Ltd Shrim Industries Pvt. Ltd.	The Mushroom Company, Southmill Champs, Calkins & Burke Limited
French Fries	Mc Cain Foods (India) Pvt. Ltd, Hyfun Frozen Foods Pvt. Ltd, Iscon Balaji Foods Pvt. Ltd, Golden Fries Ltd. Bhanu Farms Ltd.	Lamb Weston Holdings, Inc Farm Frites, Kraft Heinz Company, Idahoan Foods, LLC
Appetizers & Indian Sweets	Gopal Snacks Ltd. Bikaji Foods International Limited Haldiram	Tarai Foods Ltd Bikaji Foods International Limited Haldiram

Intellectual Property

We have registered or have applied for registration for several trademarks in connection with our business, in India as well as globally. For further information on the intellectual property of our Company, see “*Government Approvals on beginning from page no 136*”. In addition, we are also aware that the use of our brands or similar trade names by third parties may result in confusion among consumers and loss of business.

Plant and Machinery

Our company's production facilities are equipped with machinery to ensure high-quality output and efficient operations for both its French fries and mushroom production lines. For French fries plant which is under installation houses advanced equipment including a water knife cutting system, blanchers, vibratory conveyors, dewatering shakers, frying oil belt filters, and freezers, alongside crucial support systems like thermic boilers, cooling towers, ammonia and receiver tanks, and various compressors. The automated food pump systems and dosing systems for additives like SAPP and dextrose further enhance the production line, ensuring consistency and quality control.

In the mushroom division, specialized infrastructure such as insulated mushroom growing houses, compost bunkers, compost tunnels, and a grain boiling kettle cater to every stage of the growing process. The plant also features mushroom washers, blanchers, graders, and steam seamers for processing, cold storage, freezers, and retort equipment to preserve and package the final products. With supporting utilities such as boilers (diesel and wood), chiller systems, DG sets, and an electrical room, the facilities are designed for seamless, large-scale production while maintaining high standards of hygiene and operational efficiency.

Employees

We have a structured policy to strengthen our human resources. Our Human Resource policy includes various guidelines, including those pertaining to promotions, annual salary increments, recruitment, and medical benefits. The table stated below provides details of the permanent employees of our Company.

Department	Employee
Human Resources	3
Finance	5
Administration	3
Production and operation	33
IT	1
Admin	1
Store	3
Total	49

Note: In addition we engage casual labour/workers as & when needed.

Insurance

We generally maintain insurance covering our machinery, building including office block, furniture and fixtures and other assets like computer, electrical, all type of stock including raw material, finished goods etc. and at such levels that we believe to be appropriate. We have obtained certain policies such as standard fire and employee compensation insurance policy accident insurance policy, Director and Officers liability insurance, etc. Although, we have taken appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

Our Immovable Property

a. Industrial and agriculture immovable land

1. 208494 Sq Meters land at Vadnagar, Gujarat. The land has been allotted to our company on 5 October 2009 by Government of Gujarat for Industrial use.
2. Paonta Sahib Land 26,341 Sq Meters at Shubh khera on which the existing plant is located.
3. Land at plot no 87 to 90 Industrial Area Paonta Sahib, Himachal Pradesh, 10,080 Sq Meters. Leased by Himachal Government at for a period of 95 years.
4. Agriculture land on Delhi Jaipur Highway near Behror in Rajasthan-13.83 Hectares purchased from individuals

b. Registered office

Our register Office is located in rented premises at Flat no. 118, 1st floor, 12 Gagandeep Building, Rajendra Place, New Delhi, Delhi, 110008. The lease deed is valid for 3 yrs from 1 April, 2022.

OUR MANAGEMENT

The composition of the Board is governed and in conformity with by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI LODR Regulations and the Articles of Association. In accordance with the Articles of Association, unless otherwise determined by our Company in general meeting, our Company shall not have less than three Directors and not more than fifteen Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to being eligible for re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

As of the date of this Letter of Offer, the Board comprises six Directors, including three Non-Executive & Independent Directors, one Executive Director and one Whole-time Director and one Managing Director.

The following table provides details regarding the Board of Directors of our Company as of the date of this draft Letter of Offer:

Name, Date of Birth, DIN, Address, Occupation, Current term, period of directorship, Nationality	Age (in years)	Other directorships
<p>Name: Mr. Man Mohan Malik</p> <p>Date of Birth: September 25, 1953</p> <p>DIN: 00696077</p> <p>Address: Himalya International Ltd, Shubkhera, Taruwala Road, Paonta Sahib, Simaur, Himachal Pradesh, India-173025</p> <p>Occupation: Businessman</p> <p>Designation: Managing Director (Promoter)</p> <p>Period of directorship: Since January 30, 1992</p> <p>Current term: For a period of five (5) years with effect from May 30, 2023, till May 29, 2028.</p> <p>Nationality: Indian</p>	71	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> a. Himalaya Carbonates Private Limited b. Doon Valley Foods Private Limited c. A.P.J. Laboratories Limited <p><i>Foreign companies</i></p> <p>NIL</p>
<p>Name: Mr. Sanjiv Kumar Kakkar</p> <p>Date of Birth: November 17, 1957</p> <p>DIN: 02434426</p> <p>Address: 601, Cayuga Ave, San Francisco, CA-</p>	66	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> a. A.P.J. Laboratories Limited b. Himalaya Carbonates Private Ltd c. Doon Valley Foods Private Limited <p><i>Foreign companies</i></p>

<p>94112, United States</p> <p>Occupation: Businessman</p> <p>Designation: Executive Director (Promoter)</p> <p>Period of directorship: Since October 28, 2017</p> <p>Current Term: Liable to retire by rotation</p> <p>Nationality: Non-Resident Indian</p>		<p>Himalaya International Inc.</p> <p>1712 Pioneer Ave. Suite115, Cheyenne, WY 82001, United States</p>
<p>Name: Mrs. Sangita Malik</p> <p>Date of Birth: August 01, 1959</p> <p>DIN: 02428506</p> <p>Address: Himalya International Ltd, Shubh Khera(113), Paonta Sahib, Sirmaur, Himachal Pradesh-173025</p> <p>Occupation: Businesswoman</p> <p>Designation: Whole-time Director</p> <p>Period of directorship: Since July 30, 2007</p> <p>Current Term: Liable to retire by rotation</p> <p>Nationality: Indian</p>	<p>65</p>	<p><i>Indian Companies</i></p> <p>a. A.P.J. Laboratories Limited</p> <p><i>Foreign companies</i></p> <p>NIL</p>
<p>Name: Mr. Bhushan Kumar Garg</p> <p>Date of Birth: July 01, 1958</p> <p>DIN: 02393899</p> <p>Address: U-3A Green Park Main Green Park South West Delhi 110016</p> <p>Occupation: Chartered Accountant</p> <p>Designation: Non-Executive & Independent Director</p> <p>Period of directorship: Since October 7, 2024</p> <p>Current Term: For a period of five (5) years with effect from October 7, 2024, till October 6, 2029.</p>	<p>66</p>	<p><i>Indian Companies</i></p> <p>Sky Scrapper Services Private Limited</p> <p><i>Foreign companies</i></p> <p>Nil</p>

<p>Nationality: Indian</p>		
<p>Name: Mr. Surendra Kumar Kaushik</p> <p>Date of Birth: January 28, 1947</p> <p>DIN: 05286196</p> <p>Address: C-908 Surya Vihar, Kapashera Border, Dundahera, Gurgaon, Haryana-122016.</p> <p>Occupation: Businessman</p> <p>Designation: Non-Executive & Independent Director</p> <p>Period of directorship: Since April 19, 2023</p> <p>Current Term: For a period of five (5) years with effect from April 19, 2023, till April 18, 2028.</p> <p>Nationality: Indian</p>	<p>77</p>	<p><i>Indian Companies</i></p> <p>a. Financial Inclusion Network Bizcord</p> <p><i>Foreign companies</i></p> <p>NIL</p>
<p>Name: Mrs. Neelam Khanna</p> <p>Date of Birth: June 28, 1968</p> <p>DIN: 08332836</p> <p>Address: 371, Arun Vihar, Sector- 29, Noida, Uttar Pradesh-201301</p> <p>Occupation: Businesswoman</p> <p>Designation: Non-Executive & Independent Director</p> <p>Period of directorship: Since January 16, 2019</p> <p>Current Term: For a period of five (5) years with effect from October 1, 2024, till September 30, 2029.</p> <p>Nationality: Indian</p>	<p>56</p>	<p><i>Indian Companies</i></p> <p>NIL</p> <p><i>Foreign companies</i></p> <p>NIL</p>

Brief biography of our Directors:

- **Mr. Man Mohan Malik**, aged 71 years, is the Managing Director of our Company. He holds Honour's Degree in Physics and Degree in Law from Delhi University. He has over 50 years of experience in

managing various businesses, including the cultivation of different types of mushrooms, potatoes and the manufacturing and export of mushroom-based products, cheese, sweets, and appetizers. He founded the Company with a small greenfield project for mushroom production at Paonta Sahib in Himachal Pradesh. He was involved in setting up the second plant at Vad Nagar in Gujarat, which has large capacities for producing mushrooms, French fries, and appetizers. He focuses on talent management, customer strategies, R&D and innovation, and reducing non-value-added activities, thereby increasing the productivity of the organization. He has a strong understanding of supply chain management and oversees the overall operations of both plants.

- **Mr. Sanjiv Kumar Kakkar**, aged 66 years old, is the Executive Director of our Company. He holds a Certificate of Competency (Marine Engineer Officer) Class-1 Motorship issued by the Government of the United Kingdom of Great Britain and Northern Ireland. He has gained overall 25 years of experience in business and over 8 years of engineering experience in shipping. He has served as a Director since the Company's inception in 1992, with the exception of a one-year period between September 2016 and October 2017. He played a key role in building important relationships in North America and Canada, which have been crucial to the Company's business. He manages the export and sales of our products in the US market.
- **Mrs. Sangita Malik** aged 65 years, she is the Whole-time Director of our Company. She holds a Bachelor's Degree in Arts from University of Allahabad she has around 30 years of experience in managing various businesses, including the cultivation of different types of mushroom, and the manufacturing and export of mushroom-based products, cheese, sweets, and the appetizers. She has a strong understanding of human resource management & administration and look after affairs of both plants.
- **Mr. Bhushan Kumar Garg**, aged 66 years, is a Non-Executive & Independent Director of our Company. He is a qualified Chartered Accountant and fellow member of the Institute of Company Secretaries of India. He also holds Bachelor's Degree in Law from Chaudhary Charan Singh University, Meerut. He has around 38 years of experience in accounts, financial management, taxation, company secretarial work, and internal audits. He is to advise our company on our financial matter.
- **Mr. Surendra Kumar Kaushik**, aged 77 years, is a Non-Executive & Independent Director of our Company. He holds a Bachelor of Science in Agriculture from Agra University and has qualified for CAIIB – I from the Indian Institute of Bankers. He is also computer qualified from ET & T and AIMO. Mr. Kaushik is a former banker who worked in various senior positions at Punjab National Bank before retiring in January 2007. He has attended various programs on banking and finance and has expertise in banking, finance, administration, government relations, and strategic planning. He provides valuable advice on financial management and marketing in India.
- **Mrs. Neelam Khanna**, aged 56 years, is a Non-Executive & Independent Director of our Company. She hold a Bachelor of Science from Meerut University, and has experience in real estate and business development. She advises our Board on various aspects of fixed assets management.

Confirmations

None of our Directors is or was a director of any listed company during the five years preceding the date of filing of this Draft Letter of Offer, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Draft Letter of Offer.

Except as disclosed in the “Financial Statements- Note 20 b: Related Party Transactions” beginning from page 74, none of our Directors, Key Managerial Personnel or Senior Management have any conflict of interest with the suppliers of raw materials, third party manufacturers or third party logistics providers, crucial for operations of our Company.

Except as disclosed in the “Financial Statements- Note 20 b: Related Party Transactions” beginning from page 74, none of our Directors, Key Managerial Personnel or Senior Management have any conflict of interest with any lessor of the immovable properties leased to our Company, crucial for operations of our Company.

Relationship between Directors

- Mr. Man Mohan Malik is husband of Mrs. Sangita Malik
- Mr. Sanjiv Kumar Kakkar is husband of sister of Mr. Man Mohan Malik.

We further confirm that:

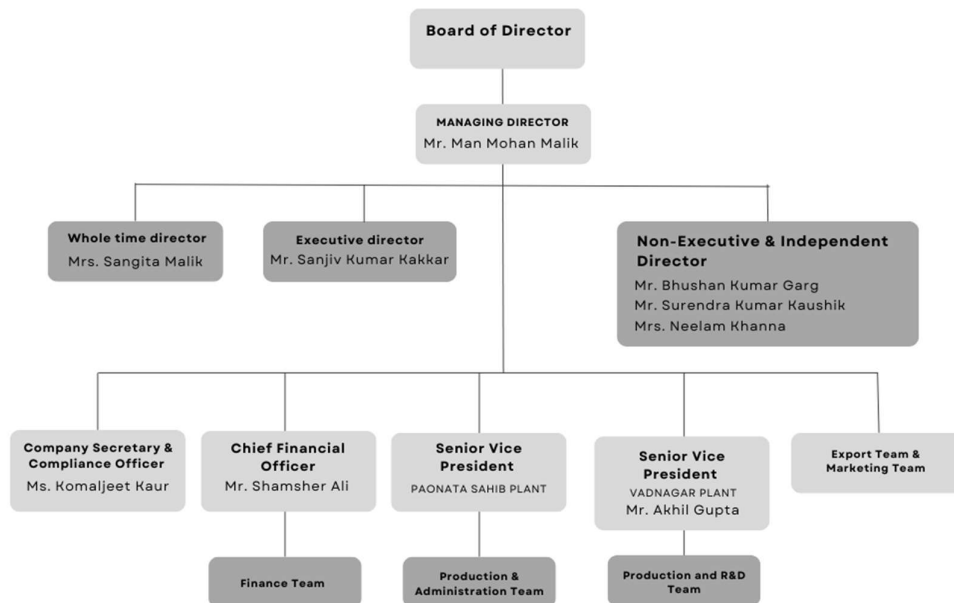
- We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Director were selected as Director or member of Senior Management.
- There are no service contracts executed between our Company and any of our Directors providing for benefits upon termination of employment.

Details of Key Managerial Personnel and Senior Management

Key Managerial Personnel	Designation
Mr. Akhil Gupta	Vice President
Ms. Komaljeet Kaur	Company Secretary and Compliance Officer
Senior Management	Designation
Mr. Shamsher Ali	Chief Financial Officer

All our Key Managerial Personnel are permanent employees of our Company.

Management Organization Structure:



SECTION V- FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

**To the Members of
Himalaya Food International Limited**

Report on the Audit of the Consolidated Financial Statements Opinion

We have audited the accompanying consolidated financial statements of Himalaya Food International Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprise the Consolidated balance sheet as at 31st March 2024, and the Consolidated statement of Profit and Loss and Consolidated of cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, of the state of affairs of the Company as at March 31, 2024, and loss, and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Consolidated Financial Statements and Auditor's report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and Consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the Standalone / Consolidated Financial Statements / financial information of the subsidiaries in the Other Matters section above we report, to the extent applicable, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Consolidated balance sheet, the Consolidated statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015;
- e) on the basis of written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv. No dividend declared or paid by the company during the period covered by this report.

- v. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Group from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group shall:
- whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Parent, its subsidiaries, associates, and joint ventures, which are companies incorporated in India, with effect from 1st April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2024
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor’s Report) Order, 2020 (“CARO”) issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that in respect of those companies where audits have been completed under Section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

For Sharma Kumar & Associates
Chartered Accountants
Firm Registration No.030842N

Kailash Sharma
(Partner)
Membership No. 543197
UDIN: 24543197BKCPFJ9004

Place: Delhi
Dated: 16.05.2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 3(f) to "Report on Other legal and regulatory requirement" of the independent Auditors' Report of even date to the members of Himalaya Food International Limited on consolidated Ind AS financial statement for the year ended March 31, 2024.

Report on the Internal Financial Controls under clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Himalaya Food International Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") in conjunction with our audit of the consolidated financial statement of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls.

The respective Board of Directors of the Parent, its subsidiary companies, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal control with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent, its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained of Holding & the subsidiary companies is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent, its subsidiary companies.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sharma Kumar & Associates

Chartered Accountants
Firm Registration No.030842N

Kailash Sharma

(Partner)
Membership No. 543197
UDIN: 24543197BKCPFJ9004

Place: Delhi
Dated: 16.05.2024

Himalaya Food International Ltd.				
Balance sheet as at March 31, 2024				
			(All amounts in Rs in lacs unless otherwise stated)	
Particulars		Note	As at 31-Mar-2024	As at 31-Mar-2023
ASSETS				
Non-current assets				
Property, plant and equipment		3	6698	7001
Capital work-in-progress		3	5491	5491
Financial assets				
I	Investments	4a	0	0
ii	Loans	4b	561	557
iii	Other financial assets	4c	647	597
Other non-current assets		5	2968	4606
Total non-current assets			16365	18252
Current assets				
Inventories		6	791	916
Financial assets				
I	Trade receivables	4d	6558	3066
ii	Cash and cash equivalents	4e	-69	-14
iii	Bank balance other than (ii) above	4f	118	71
Other current assets		7	42	13
Total current assets			4441	4052
Total assets			20806	22304
EQUITY AND LIABILITIES				
Equity				
Equity share capital		8a	5787	5787
Other equity		8b	8008	7518
			13795	13305
Liabilities				
Non-current liabilities				
Financial liabilities				
I	Borrowings	9a	0	0
iii	Other financial liabilities	9c	1001	335
Provision		11a	185	185
Deferred tax liabilities (net)			306	371
Other non-current liabilities			73	81
Total non-current liabilities		11b	1565	972
Current liabilities				
Financial liabilities				
I	Borrowing	9b	0	0
ii	Trade payables	9d	935	1628
iii	Other financial liabilities	9c	4112	5951
Provision for employee benefit obligations		11b	0	0
Other current liabilities			399	448
Total current liabilities		10	5446	8027
Total equity and liabilities			20806	22304

As per our report of even date
For Sharma Kumar & Associates
Chartered Accountants
Firm Registration No. 030842N

For and on behalf of the Board

Sd/-
(Kailash Sharma)Partner
Membership no. 543197
UDIN: 24543197BKCPFJ9004

Sd/-
Man Mohan MalikManaging Director
DIN:00696077

Sd/-
Sangita Malik
DirectorDIN:02428506

Dated: 16.05.2024
Place : New Delhi

Sd/-
Shamsher Ali
CFO

Sd/-
Siddharth Panwar
Company Secretary

Himalaya Food International Ltd.				
Consolidated Statement of Profit and Loss account for the year ended March 31, 2024				
			(All amounts in Rs in lacs unless otherwise stated)	
Particulars		Note	Year ended	Year ended
			31-Mar-2024	31-Mar-2023
Continuing operations				
Revenue from operations		12	4669	6837
Other income		13	56	2914
Total income			4725	9751
Expenses				
Cost of material consumed		14	2001	2553
Changes in inventory of work-in-progress & finished goods		15	125	-755
Goods in transit			0	0
Employee benefits expense		16	308	471
Finance costs		19	67	33
Assets loss in fire				5214
Stock loss in fire				1621
Depreciation and amortisation expense		17	634	681
Other expenses		18	1164	2404
Total expenses			4299	12222
Profit before exceptional items and tax			425	-2471
Exceptional Items				
i	Exceptional Items		0	0
Profit / loss before tax from continuing operations			425	-2471
Tax expense				
i	Current tax		0	0
ii	Deferred tax		-65	-51
Profit / (Loss) from continuing operations			490	-2420
Profit / (Loss) from discontinued operations			-	-
Other comprehensive income			-	-
Earnings per equity share (for continuing operations)				
i	Basic earnings per share		0.85	-4.18
ii	Diluted earnings per share		0.85	-4.18

The accompanying notes form an integral part of the standalone financial statements.

For Sharma Kumar & Associates
Chartered Accountants
Firm Registration No. 030842N

Sd/-
(Kailash Sharma) Partner
Membership no. 543197
UDIN: 24543197BKCPFJ9004

Dated: 16.05.2024
Place : New Delhi

For and on behalf of the Board

Sd/- Sd/-
Man Mohan Malik Sangita Malik
Managing Director Director
DIN:00696077 DIN:02428506

Sd/- Sd/-
Shamsher Ali Siddharth Panwar
CFO Company Secretary

Himalaya Food International Limited															
Statement of changes in equity for the year ended March 31 , 2024															
(All amounts in Rs in lacs unless otherwise stated)															
A. Equity Share Capital															
Particulars							Note	Amount							
Balance at the beginning of the reporting period							8	5787							
Share Application money							8	0							
Changes in equity share capital during the year							8	0							
Balance at the end of the reporting period							8	5787							
B. Other Equity															
Particulars	Note	Share applica tion on money pendin g allotme nt	Equity compo nent of compo und financi al instru ment	Reserve and Surplus				Debt Instrum ent through other Compre hensive Income	Equity Instrum ent through Other Compre hensive Income	Effec tive porti on of Cash Flow Hedg es	Reval uatio n Surpl us	Excha nge differe nce on transla ting the financi al statem ent	Othe r items of Othe r Compre hensive Inco me (Spec ify natur e)	Mone y recei ved again st share capit al	Total
				Capital Reserv e	Securitie s Premi um Reserve	Other Reserv e (Specif y nature)	Retained Earning								
Balance at the beginning of the reporting period	8	0		1321.69	3377.89	0	2818	0	0	0	0	0	0	0	7517.58
Changes in accounting policy or prior period errors		0		0	0	0		0	0	0	0	0	0	0	0
Restated balance at the beginning of reporting period		0		0	0	0		0	0	0	0	0	0	0	0
Total comprehensive		0		1321.69	3377.89	0	2818	0	0	0	0	0	0	0	7517.58
Income for the year		0		0	0	0	490.14	0	0	0	0	0	0	0	490.14

Dividends		0		0	0	0	0	0	0	0	0	0	0	0	0
Transfer to retained earnings		0		0	0	0	0	0	0	0	0	0	0	0	0
Any other change (to be specified)		0		0	0	0	0	0	0	0	0	0	0	0	0
Balance at the end of the reporting period	8	0		1321.69	3377.89	0	3308.14	0	0	0	0	0	0	0	8007.72

Himalaya Food International Ltd.			
Statement of cash flows for the period ended March 31,2023			
		(All amounts in Rs in lacs unless otherwise stated)	
Particulars	Note	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Loss before Income Tax from			
Continuing Operations		490	(2420)
Adjustment for:			
Depreciation and amortisation expenses		634	681
Deferred Tax		(65)	(51)
Finance costs		67	33
Loss in Fire- Assets		0	5214
Operating profit before working capital changes		637	5877
Adjustment for:			
(Increase)/decrease in trade receivables		(492)	(13)
(Increase)/decrease in inventories		125	908
Increase/(Decrease) in Trade payables		(693)	309
(Increase)/Decrease in other financial assets		(50)	(11)
(Increase)/decrease in other non-current assets		1638	(2960)
(Increase)/decrease in other current assets		(29)	(6)
(Increase)/decrease in other Financial Liabilities		(1839)	(1181)
(Increase)/decrease in Loan Advance		(4)	0
Increase in employee benefit obligations and provisions		0	(10)
Increase/(Decrease) in other Current Liabilities		(49)	150
Increase/(Decrease) in other non-Current Liabilities		(8)	10
Cash generated from operations		(1402)	(2805)
Income tax paid		0	0
Net cash inflow from operating activities		(275)	653
Cash flows from investing activities			
Payments/Sale of property, plant and equipment		(331)	(280)
Investment in Subsidiary		0	0
Loans to employees and related parties		0	0
Net cash outflow from investing activities		(331)	(280)
Cash flows from financing activities			
Return of Application Money Received from Shareholders		0	(358)
Proceeds/(Payment) from borrowings		666	0
Finance lease payments/Increase		0	0
Finance Expenses		(67)	(33)
Net cash used in financing activities		599	(391)
Net increase (decrease) in cash and cash equivalents		(8)	(18.51)
Cash and cash equivalents at the beginning of the financial year		57	75.84
Cash and cash equivalents at end of the year		49	57

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For Sharma Kumar & Associates

Chartered Accountants

Firm Registration No. 030842N

For and on behalf of the Board

Sd/-

(Kailash Sharma)Partner
Membership no. 543197
UDIN: 24543197BKCPFJ9004

Sd/-

Man Mohan MalikManaging Director
DIN:00696077

Sd/-

Sangita Malik
DirectorDIN:02428506

Dated: 16.05.2024
Place : New Delhi

Sd/-

Shamsher Ali
CFO

Sd/-

Siddharth Panwar
Company Secretary

Himalaya Food International Ltd.

Notes to the consolidated financial statements for the year ended March 31, 2024

1. Company Information

Himalaya Food International Ltd., incorporated in New Delhi, India with UIN L51909DL1992PLC047399, is a food processing company engaged in growing & processing of mushrooms and manufacturing IQF ready to eat items-which is classified as one segment. It is exporting its products to USA and also selling them domestically. The Company is listed on the Bombay Stock Exchange (BSE).

2. Statement of Significant Accounting Policies

2.1 Basis of Preparation and Measurement

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The consolidated financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

The consolidated financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 16th May 2024

(b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

(c) Principal of Consolidation

The consolidation financial statements relate to Himalaya Food International Limited ("the Holding Company") and its subsidiary companies (collectively referred to as "the Group"). The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Holding Company. The consolidated financial statements have been prepared on the following basis:

- c.1 The financial statements of the Holding Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Ind AS – 110 “Consolidated Financial Statements”.
- c.2 As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company’s separate financial statements by regrouping, recasting or rearranging figures, wherever considered necessary.

2.2 Key Accounting Estimates and Judgements

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

2.3 Recent Accounting Development

Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 has replaced the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive

income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 24 – Related Party Transactions

Related Party transaction is a transfer of resources, services or obligations between related parties, regardless of whether or not a price is charged. The company have entered the related party transaction with Managing Director Mr. Man Mohan Malik, Whole Time Director Mrs. Sangita Malik, Company Secretary Mr. Siddharth Panwar & Ms. Manpreet Kaur and, CFO Shamsheer Ali and sister concern M/s Doon Valley Foods Private Limited. The same is reported with Bombay Stock Exchange under regulation 23 of LODR.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control /joint control of a business that is a joint operation

2.4 Significant Accounting Policies Revenue recognition

The Company earns revenue primarily from growing and processing of mushrooms and manufacturing IQF ready to eat items. Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

(a) Property, Plant and Equipment:

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on a straight-line value method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

Property, Plant and Equipment is depreciated over 3 to 30 years based on the technical evaluation of useful life done by the management.

Assets costing ` 5,000 or less are fully depreciated in the year of purchase. Freehold & Leasehold Land is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate. The company has not charged the depreciation on the dormant assets. These assets were ideal for 3 or more years and there were no production or usage of the said assets.

(b) Intangible Assets:

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Design - 10 years

Know-how - 10 years

Computer software - 5 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

(c) Investments in Subsidiaries, Associates and Joint Ventures:

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(d) Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost is computed on absorption costing method. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

(e) Cash and Cash Equivalents:

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(f) Assets Held for Sale:

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criterias are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

(g) Financial Instruments:

Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(ii) Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(iii) Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derivative Financial Instruments:

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Any changes therein are recognised in the statement of profit and loss account. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Asset

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(h) Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(i) Revenue Recognition:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc.

Income from export incentives such as duty drawback and premium on sale of import licenses and lease license fee are recognised on accrual basis.

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably. Interest income is recognized using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

(j) Government Grant:

The Company was entitled to 'MEIS Scheme' under export incentive till January 2021. Now, Company is entitled to 'RoDTEP Scheme' under new export incentive scheme. Such incentive are measured at amount receivable from the government and are recognised as other operating revenue. The Company will comply with all necessary

conditions attached to incentives.

(k) Expenditure:

Expenses are accounted on accrual basis.

(l) Employee Benefits:

Defined contribution plans

Contributions to defined contribution schemes such as employee's state insurance are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss.

Retirement and other employee benefits

- (i) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- (ii) Gratuity liability is a defined benefit obligations and are provided for on the basis of valuation made at the end of each financial year.
- (iii) No provision is made for unencashable short term compensated absences.

(m) Impairment of Non-Financial Assets:

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the Statement of Profit and Loss account.

(n) Income Taxes:

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in current tax expense.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

(o) Leases:

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

(p) Foreign Currencies:

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

(q) Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Himalaya Food International Ltd.									
Notes to the Standalone financial statements for the year ended March 31, 2024									
Note 3: Property, plant and equipment									
(All amounts in Rs in lacs unless otherwise stated)									
Particular	Freehold land	Leasehold land	Freehold Building	Leasehold Building	Furniture, fittings and equipment	Plant and Machinery	Vehicle	Total	Capital Work In progress
Year ended 31 March 2023									
Gross carrying amount									
Deemed cost as at 1 April 2022	1483	81	7809	418	207	16068	618	26683	5491
Additions	0	0	15	0	0	265	0	280	0
Disposals	0	0	3253	0	61	5383	12	8709	0
Closing gross carrying amounts	1483	81	4571	418	145	10949	606	18254	5491
Accumulated depreciation	0	0	2471	201	126	10693	576	14066	0
Depreciation Charged during the year	0	0	170	7	3	490	11	681	0
Disposals	0	0	847	0	53	2595	0	3495	0
Closing Accumulated depreciation	0	0	1794	208	75	8588	587	11253	0
Net Carrying Amount	1483	81	2777	210	70	2361	20	7001	5491
Year ended 31 March 2024									
Gross carrying amount									
Opening gross carrying amount	1483	81	4571	418	145	10949	606	18254	5491
Additions **	0	0	160	0	0	171	0	331	0
Assets classified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Closing gross carrying amounts	1483	81	4571	418	145	11120	606	18255	5491
Accumulated depreciation and impairment									
Opening accumulated depreciation	0	0	1794	208	75	8588	587	11253	0
Depreciation Charged During the Year	0	0	159	7	3	454	11	634	0

Impairment Loss	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Exchange Differences	0	0	0	0	0	0	0	0	0
Assets classified as held for sale	0	0	0	0	0	0	0	0	0
Closing accumulated depreciation and impairment	0	0	1953	215	78	9042	598	11887	0
Net carrying amounts 31.03.2023	1483	81	2778	203	67	2078	9	6698	5491
Note:									
Capital work in progress as at 31st March, 2024 is '5491 lacs (31st March, 2023: '5491 lacs)									
Company has lost assets in massive fire happened in Gujarat Plant in May'22									

Himalaya Food International Ltd.					
Notes to the consolidated financial statements for the year ended March 31, 2024					
			(All amounts in Rs in lacs unless otherwise stated)		
Note	Particulars			As at March 31, 2024	As at March 31, 2023
4(a)	Non-current Investment				
	Unquoted			0	0
	Total non-current investments			0	0
Information about subsidiaries and joint ventures					
	Name of the company	Country of incorporation	Principal activities		Proportion (%) of equity interest
				As at March 31, 2024	As at March 31, 2023
	Subsidiaries				
	Himalya Green Apartments Ltd	India	Real estate Company	100	100
	Appetizer and Snacks Foods Ltd.	India	Manufacturing	100	100
	Joint Venture				
	Himalya Simplot Pvt Ltd.	India	FMCG business	50	50
Note	Particular			As at March 31, 2024	As at March 31, 2023
4(b)	Loans				
	Unsecured, considered good				
	Advance to associates				
	- APJ Laboratories Ltd			558	556
	-Himalaya Coabonate Pvt Ltd			3	1
				561	557
4(c)	Other Financial Assets				
	Unsecured, considered good				
	Deposits to others			81.06	50
	Subsidy and Other Receivables				
	Unsecured, considered good				
	Capital Subsidy			319	319
	Other loans and advances				
	Unsecured, considered good				
	Advance tax and tax deducted at source			247	228
	Total			647	597
4(c)	Trade Receivables				
	Trade Receivable			3558	3066
	Total Receivable			3558	3066
	Current Portion			0.0	0.0
	Non- Current Portion			0.0	0.0
4(d)	Cash and Cash Equivalents				

	Balances with banks:		
	On current accounts with scheduled banks	-71.16	-15.0
	On EEFC accounts	0	1.0
	Cash on hand	1.79	0.0
	Total	-69.4	-14.0
4(e)	Other bank balances		
	Fixed deposits with Banks	40.71	71
	SBI Authorised Officer 33108475877	77.46	0
	Total	118	71
5	Other Non-Current Assets		
	Advances to suppliers	151	150
	Insurance Claim Receivable	1158	2800
	TDS / GST receivable	36	297
	GST APPEAL 10% DEMAND DEPOSIT	296	0
	Accured Interest + TCS on Purchase	60	0
	Subsidy and incentivereceivable	1168	1263
	MAT Credit entitlements	96	96
	Total	2968	4606
6	Inventories		
	Raw Materials	215	214
	Work-in-Progress	46	249
	Finished Goods	302	1995
	stock in Transit	228	79
	Stock loss in fire	0	-1621
	Store & Spares	0	0
	Total	791	916
7	Other Current Assets		
	Prepaid Insurance	42	13
	Deposited in OTS Scheme	0	0
	Total	42	13
Note	Particulars	No of Shares	Amount
8	Equity Share Capital and Other Equity		
(a)	Equity Share Capital		
	Authorised Equity Share Capital		
	As at 31.03.2023	7,50,00,000	7,50,000
	Increase during the year	0	0
	As at 31.03.2024	7,50,00,000	7,50,000
	Particulars	No of Shares	Equity sharescapital par Value
	Movement in equity sharecapital		
	As at 31.03.2023	57872900	5787.29
	Add: Application money	0	0
	As at 31.03.2024	57872900	5787.29
	Terms and rights attached to equity shares		
	Equity shares have par value of INR 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amount paid on the shares held.		
	Every holder of equity shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.		

(b) Reserves and surplus							
	Particulars			As at March31, 2024	As at March31, 2023		
	Capital reserve			1322	1322		
	Securities premium reserve			3378	3378		
	Retained earnings			3308	2819		
	Total			8008	7518		
	(i) Capital Reserve						
	Opening balance			1322	1322		
	Closing balance			1322	1322		
	(ii) Securities premium reserve						
	Opening balance			3378	3378		
	Closing balance			3378	3378		
	(ii) Retained earnings						
	Opening balance			2818	5238		
	Profit for the year			490	-2420		
	Closing balance			3308	2818		
B. Nature and purpose of reserves							
(a) Capital Reserve: Capital Subsidies received by the company is treated as capital reserve.							
(b) Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.							
(c) General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.							
(d) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.							
C. Capital Management							
Equity share capital and other equity are considered for the purpose of Company's capital management.							
The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.							
The management and the board of directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.							
Note	Particulars	MaturityDate	Terms of repayment	Rate of Interest %	As atMarch 31, 2024	As at March 31, 2023	
9	Financial liabilities						
(a)	Non-current borrowings						
	Secured						
	Term Loans						
	From Banks						
	Rupee Loan	30.06.2024	Quarterly	11.30	0	0	
	Rupee Loan	30.06.2024	Quarterly	10.65	0	0	
	Long term maturities of finance lease obligation						
	Obligations under finance leases	31.03.2021	Monthly	11.00	0	0	
	Rupee Loan	Payable on demand		11.30	0	0	
	Total Non-Current Borrowing				0	0	

		Less Current maturities on long term debt (OTS Amount)			0	0
		Less Current maturities on loan from otherParties			0	0
		Less Paid forex loss			0	0
		Less OTS Sanctioned				
		Total Non-Current Borrowings (As per Balance Sheet)			0	0
(b)		Current borrowings				
		From Banks				
		Rupee Loan	Payable on demand	11.30	0	0
		Total Current Borrowing			0	0
1		Secured borrowings and assets pledged as security:				
		a. Term Loans are secured by First pari passu charge over the entire fixed assets of the company at Paonta sahib(H.P.) and Mehsana (Gujarat), with Joint Lending Forum comprising SBI, Corporation Bank, Bank of Baroda and Exim Bank, along with personal guarantees of the Directors and Promoters.				
		b. All working capital limits are secured by first pari passu charge over the entire current assets of the company,along with personal guarantees of promoters.				
2		The company Bank accounts are NPA since March 2018, hence no Interest has been charged during the year.				
3		Loan Account from Banks have been shown at the full value as on the date of NPA. The OTS settled by banks isRs. 8,290 Lakhs out of which Rs. 5,544 Lakhs have been paid till 31.03.2024. The amount is shown as other financial liability under the head current liabilities.				
Note	Particular			As on March 31, 2024	As on March 31, 2023	
9(c)	Other Financial liabilities					
	Non-Current (Other)					
	Advances and deposits from customers			765	335	
	MM Malik Loan & Advance A/c			190	0	
	Sangita Malik Loan A/c			46	0	
	Total Other Non-current Financial liabilities			1001	335	
	Current					
	OTS Payable with interest accrued			4112	5951	
	Current maturities on finance lease obligations			0	0	
	Total Other Current Financial Liabilities			4112	5951	
9(d)	Trade payables					
	Current			935	1628	
	Trade payables			0	0	
	Total			935	1628	
10	Other Current Liabilities					
	Other payables					
	Expense payable			169	227	
	Security from Customer			3	1	
	Advance from sale of land			144	144	
	TDS payable (tax deducted at source)			58	38	
	Employees State Insurance payable			1	1	
	Employees Provident Fund payable			25	37	

	Total				399		448
	Contingent Liabilities not provide for						
	Particular				As on March 31, 2024		As at March 31, 2023
	Guarantees and Counter guarantees given by the Company				48		48
	Letter of credit				0		0
	Excise duty on Domestic Tariff Areas sales pending in Delhi Tribunal				4		4
	Corporate Guarantee given				1		1
	Income Tax Appeal Pending before HC				1208		1208
	DGFT Matter				3277		
	EPF matter before Tribunal				12		12
	Sales Ta				26		26
	Liability in the Dispute with JV Partner Simplot at SIAC				2970		2970
	(Detail Given at Point 20(f) in Notes to accounts)						
Note	Particulars	As on March 31, 2024			As at March 31, 2023		
11							
(a)	Provisions	Current	Non- Current	Total	Current	Non-Current	Total
	Provision for tax	0	185	185	0	185	185
	Total	0	185	185	0	185	185
	Deferred Payment Liabilities						
	Particular			2024			2023
	Deferred Current Assets (Liabilities) as per Balance Sheet			-372			-422
	Deferred Tax Liability						
	Depreciation as per Companies Act			634			681
	Depreciation Tax per Income Tax Act			400			458
	Difference			-234			-223
	Deferred Tax Liability/ (Assets)			-65			-62
	Deferred Tax Assets on 43 B Items						
	PF (Employers Share) not deposited as on 31.03.24			0.43			37
	ESI (Employers Share) not deposited as on 31.03.24			1			1
	Total			1			38
	Deferred Tax Asset			0.31			11
				65			51
	Net Deferred Tax Liability			-308			-372
	Particulars	March 31, 2024			March 31, 2023		
(b)	Employee Benefit obligations	Current	Non-current	Total	Current	Non-current	Total
	Provision for employee benefits						
	Provision for gratuity	0	73	73	0	81	81
	Provision for leave encashment	0	0	0	0	0	0
	Total	0	73	73	0	81	81

	Brief Description: A general description of the defined benefit plan is given below:-						
a	Earned Leave Benefit (EL)						
	Accrual-1 Leave per 20 working days						
	Accumulation up to 30 days allowed						
	EL accumulated in excess of 30 days is lapsed						
b	Sick Leave (SL)						
	Accrual-7 days per year						
	Encashment while in service is not allowed						
	Encashment on retirement is permitted as per Company policy.						
c	Gratuity:						
	Gratuity provision has not been made according to the prescribed law.						
d	Post-Retirement Medical Benefits						
	There is no post-retirement medical benefit in the company						
e	Retirement Benefits						
	At the time of superannuation, employees are entitled for reimbursement of expenses towards travel, transportation of personal effects from their place of retirement to the new location up to certain limits depending on designation of the employee at the time and one month's salary as settling allowance.						
Note	Particulars			Year ended	Year ended		
				31-Mar-24	31-Mar-23		
12	Revenue from Operations						
	Sale of goods						
	Sales- Export			2540	4533		
	Sales- Domestic			2129	2304		
	Total			4669	6837		
	*Note: Himalaya food India sells to US company on consignment sale basis. Under consignment sale agreement all expenses incurred after export from Indian port are payable by Himalaya India and only then all sale proceeds recovered from sale in USA become part of sale in Balance Sheet.						
13	Other Income						
	Insurance claim receivable			0	2800		
	Duty draw back			0	4		
	Interest income			6	2		
	Export Incentives			49	108		
	Total			56	2914		
14	Raw Material & Consumables Consumed						
	Raw material at the beginning of the year			214	256		
	Add:						
	Purchases			1952	2444		
	Freight inward			9	20		
	Packing Expenses& other			36	47		
	Less: Raw material at the end of the year			215	214		
	Total			2001	2553		
15	Changes in inventories of finished goods and work-in-progress						
	Opening Stock						
	Goods in process			249	395		
	Finished goods			374	1173		
	US Stock & Stock in transit			79			

			702	1568
	Closing Stock			
	Goods in process		46	249
	Finished goods		302	1995
	Stock in transit		228	79
			577	2323
	(Increase)/Decrease in inventories		126	-755
16	Employee benefit expense			
	Salaries, wages and bonus		308	461
	Contribution to			
	Provident Fund		0	5
	Employees' State Incorporation Fund		0	1
	Gratuity		0	0
	Staff welfare expenses		0	4
	Total		308	471
	Directors' remuneration			
	(Included under employee benefit expense)			
	Salaries to Managing Director		30	30
	Salaries to Whole Time Director		19	19
	Contribution to provident fund		0	0
			49	49
17	Depreciation and amortisation expense			
	Depreciation of property, plant and equipment		634	681
	Total		634	681
18	Other expenses			
	Power and fuel		204	552
	Rent:			
	- Offices and Godowns		1	3
	Rates and taxes		26	76
	Insurance		4	5
	Repairs and maintenance:			
	- Plant and machinery		14	15
	- Building		0	0
	- Others		0	0
	Advertisement and sales promotion		1	0
	Postage and courier		3	1
	Travelling and conveyance		32	32
	Printing and stationery		1	1
	Communication		2	3
	Legal and professional		85	89
	Payment to Auditors		0	4
	Selling Expenses		614	1309
	Misc exp.		6	13
	Freight Outward		159	221
	Other expenses		19	80
	Total		1164	2404
	Auditor's Remuneration			
	Professional Fee			
	-Audit Fees		3	3
	-Tax Audit Fees		0	0

	Reimbursement of Expenses		0	0
			3	3
19	Finance cost			
	Interest and finance charges on financial liabilities not at fair value through profit & loss		67	33
	Total		67	33
20	Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013			
a	Loans and advances in the nature of loans given to the subsidiaries, associates and others and investment in shares of the company, by such companies:			
			Year ended 31, March 2024	Year ended 31, March 2023
(i)	Loans and advances			
	APJ Laboratories Ltd		558	556
(ii)	Sundry Creditors			
	Doon Valley Foods Pvt Ltd.		10	391
(iii)	Investment in shares of subsidiary companies:			
	Himalya Green Apartments Ltd (100% Subsidiary) (50000 shares of Rs. 10 each fully paid up)		5	5
	Appetizer and Snacks Foods Ltd (100% Subsidiary) (50000 shares of Rs. 10 each fully paid up)		5	5
b	Name of related parties			
	Key Management Personnel and their relatives	Mr. M.M. Malik		
		Mrs. Sangita Malik		
	Enterprises over which key management personnel /shareholders and their relatives have significant influence	Himalya Carbonates Pvt. Ltd.		
		Doon Valley Foods Pvt. Ltd.		
		APJ Laboratories Ltd.		
		Himalya Simplot Pvt. Ltd.		
	Subsidiary companies	Himalya Green Apartments Ltd (100% Subsidiary)		
		Appetizer and Snacks Foods Ltd (100% Subsidiary)		

Nature of transaction		Year ended 31-Mar-2024	Year ended 31-Mar-2023
(i)	Managerial remuneration		
	Mr. M.M. Malik	30	30
	Mrs. Sangita Malik	19	19
(ii)	Loans and advances		
	APJ Laboratories Ltd	558	556
(iii)	Sundry Creditors		
	Doon Valley Foods Pvt Ltd.	10	391
(iv)	Investment in shares of subsidiary companies:		
	Himalya Green Apartments Ltd (100% Subsidiary) (50000 shares of Rs. 10 each fully paid up)	5	5
	Appetizer and Snacks Foods Ltd (100% Subsidiary) (50000 shares of Rs. 10 each fully paid up)	5	5

(i)	Loan from KMP					
	Mr. M.M.Malik			190		0
	Mrs. Sangita Malik			46		0
C. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006						
The classification of the suppliers under MSMED Act, 2006 is made on the basis of information made available to the Company. The Company has neither paid any interest in the terms of section 16 of the above said act nor any interest remains unpaid and no payments were made beyond the "appointed date" to such enterprises during the year ended 31.03.2024. Amount outstanding to these enterprises to the year ended 31.03.2023 is Rs. Nil (previous year Rs. Nil).						
d Segment Disclosure						
Primary Segment						
We have to segment Agriculture and Processed foods. In Agriculture we produced fresh Mushroom, sale as fresh, chilled. And in process food we sell canned Mushroom, Frozen Appetizers, we maintained both segments' books separately Profit & loss accounts of both areas under:						
	31.03.2024			31.03.2023		
Particular	Agri Div.	Mfg Div.	Total	Agri Div.	Mfg Div.	Total
By Sales						
By Sales	824	2806	4427	544	5472	6837
By Other Income	92	206	298	0	2914	2914
By Transfer to process Div	797	0	0	821	0	0
Total	1713	3012	4725	1365	8386	9751
By Closing Stock						
- Raw Material	30	185	215	23	191	214
- Work in Progress	46	0	46	249	0	249
- Finished Goods	0	302	302	145	1850	1995
- Stock in transit	0	228	228	0	79	79
- Stock loss in fire	0	0	0	0	-1621	-1621
Total	75	715	791	417	499	916
To Opening Stock						
- Raw Material	23	191	214	27	229	256
- Work in Progress	249	0	249	223	172	395
- Finished Goods	145	229	374	70	1103	1173
- Stock in Transit		79	79			
Increase/decrease in Stock	-342	216	-126	97	-1005	-908
Total Income	1371	3228	4599	1462	7381	8843
To Purchases Raw- Material	0	1090	1681	0	1699	2444
To Purchase of Fresh Mushroom	0	0	0	0	0	0
To Agriculture Expenses Raw – Material	591	0	0	745	0	0
To Growing Expenses	221	0	0	186	0	0
To Manufacturing Exp.	0	322	543	0	433	619
To Repair	4	11	15	12	3	15
To Financial Exp.	18	50	67	7	26	33
To Depreciation	196	438	634	102	579	681
To Employee Salary	60	248	308	108	363	471
To Freight Out Ward	20	139	159	15	206	221
To Selling Exp.	26	588	614	16	1293	1309
To Admin Exp.	11	143	154	21	286	307
To Loss of assets in Fire	0	0	0	0	0	5214
Total Expenses	1147	3028	4175	1213	4887	11314

To Net Earnings	224	200	424	249	2494	-2471
Information About the Secondary Segments						
Revenue and sundry debtors as per geographical markets						
Particulars	Revenue			Sundry debtors		
	2024	2023		2024	2023	
India	2540	2304		726	732	
Outside India	2129	4533		2833	2334	
Total	4669	6837		3558	3066	
The Company has common fixed assets for producing goods for domestic Market and Overseas Market. Hence, separate figures for fixed assets / additions to fixed assets cannot be furnished.						
e	Earning per shares (E.P.S.)			Year ended	Year ended	
				31-Mar-2024	31-Mar-2023	
	Basic E.P.S.			0.85	-4.18	
	Diluted E.P.S.			0.85	-4.18	
	Calculation of basic E.P.S.					
	a) Net profit for the year attributable to equity shareholders			490	-2419	
	b) Weighted average number of equity shares			57872604	57872604	
	c) Basic earnings per share (a/b)			0.85	-4.18	
	d) Nominal value per share			Rs. 10/-	Rs. 10/-	
	Calculation of diluted shares					
	Weighted average number of equity shares			57872604	57872604	
	Number of shares in respect of shares warrants					
	Total:			57872604	57872604	
f	Disclosure of the Company's interest In jointly controlled assets:					
	The Company has interest in the following jointly controlled entity:					
	Name Of the company	Company's interest	Amount of Investment (In Lakhs)	Partners and their participating interest		
	Himalya Simplot Private Ltd.	50%	114936	Simplot India LLC	50%	
	The Company had invested in 50% shareholding of Himalya Simplot Private Limited (the "joint venture") which was managed by the JV partner, Simplot India LLC.					
	The Company has access to the audited accounts of the joint venture for the financial year ended 31 March 2014. Audited financial statements for subsequent years have not been made available to the Company. Based on information available with the Company that the operations of the joint venture have ceased, the Management, as a measure of abundant prudence, made a provision for diminution in the value of the investment made in the entity in the financial year ended 31 March 2014.					
	Consequently, accounts of Jointly held entity are not consolidated with the company's accounts.					
	The Company as well Simplot India LLC have preferred counter claims against each other.					
	a. Simplot India LLC has invoked arbitration at Singapore which the Company has challenged on grounds of jurisdiction. The Company has been legally advised that the claim of Simplot India LLC is untenable and liable to be rejected or substantially diluted, and accordingly, no provision is considered necessary.					
	b. The Company has filed case against Simplot India LLC before the Hon'ble Delhi High Court, which has been directed to Delhi High Court arbitration centre.					
g	There are no material prior year items included in the Statement of Profit and Loss, except to the extent disclosed at the appropriate place in the Notes.					
h	During the year there is no liability to pay MAT as there is carried forward business loss.					
i	Transfer pricing					
	The Company is of the opinion that its domestic transactions with related parties is at arm's length and in compliance with the transfer pricing legislation. The management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on its tax expense and liability.					

j	Explanatory Note: In the dispute that arose with Erstwhile JV partner Simplot USA in 2013, the Singapore International Arbitration Center (SIAC) awarded US \$ 3.96 mm with further interest @ 5.33% till the date of payment from the date of award to be payable by the Company and in turn the sale of French Fry line and Specialty Potato Lines stands cancelled and has been reverted back to the Company. The Tribunal has directed Simplot to return the Pieces and Penals removed from French Fry & Potato Specialty Lines. Company Proposes to file an appeal in Singapore High court to Challenge the amount awarded. However, company has shown the amount in contingent liability and on conclusion of appeal will pass the necessary entries to add the value of the French Fry & Potato Specialty Lines into assets.
k	Previous Year Comparatives Previous year's figures have been regrouped / rearranged where necessary to conform to current year's presentation. Signatures to Notes 1 to 20

Himalaya Food International Ltd.				
Statement of significant Ratios for the year ended 31.03.2024				
Particulars	Numerator/Denominator	31 March 2024	31 March 2023	Change in %
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.82	0.50	61.51
(b) Debt-Equity Ratio	$\frac{\text{Debts}}{\text{Equity}}$	0.30	0.45	33.36
(c) Debt Service Coverage Ratio	$\frac{\text{Earnings available for Debt Service}}{\text{Interest + Installments}}$	N/A	N/A	N/A
(d) Return on Equity Ratio	$\frac{\text{Profit after Tax}}{\text{Average equity}}$	3.61	-16.45	-121.96
(e) Inventory turnover ratio	$\frac{\text{COGS}}{\text{Average Inventories}}$	2.34	1.86	25.81
(f) Trade Receivables turnover ratio	$\frac{\text{Net Credit Sales}}{\text{Average Account Receivable}}$	1.41	2.23	-36.92
(g) Trade payables turnover ratio	$\frac{\text{Net Credit Purchases}}{\text{Average Account Payable}}$	3.64	4.64	-21.47
(h) Net capital turnover ratio	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	(4.64)	(1.72)	169.94
(i) Net profit ratio	$\frac{\text{Net Profit}}{\text{Total Turnover}}$	10.50%	-35.39%	-129.66
(j) Return on Capital employed	$\frac{\text{Net Profit}}{\text{Capital Employed}}$	3.55%	-18.17%	-119.54
(k) Return on investment	$\frac{\text{Income on Investment}}{\text{Total Investment}}$	N/A	N/A	N/A
Explanation for variances exceeding 25%:				
Ratios are linked to profit which is in negative due to loss of assets & stock in massive fire in Gujarat Plant.				

As per our report of even date
For Sharma Kumar & Associates

**Chartered Accountants
Firm Registration No. 030842N**

**Sd/-
(Kailash Sharma)
Partner
Membership no. 543197
UDIN: 24543197BKCPFJ9004**

**Dated: 16.05.2024
Place : New Delhi**

For and on behalf of the Board

**Sd/-
Man Mohan Malik
Managing Director
DIN:00696077**

**Sd/-
Shamsher Ali
CFO**

**Sd/-
Sangita Malik
DirectorDIN:02428506**

**Sd/-
Siddharth Panwar
Company Secretary**

INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

To

The Board of Director of

Himalaya Food International Limited

LIMITED REVIEW REPORT OF THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF HIMALAYA FOOD INTERNATIONAL LIMITED FOR THE QUARTER ENDED 30TH JUNE 2024

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results the Statement") for the quarter 30th June 2024 of Himalaya Food International Limited ("the Company") being submitted by the Company, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with SEBI Circular No. CIR/CFD/CMD/144/2019 dated 29 March 2019 (the Circular)

2. This statement, is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34. (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act. 2013, as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular is the responsibility of the Company's management and has been approved by the Board of Director of the Company. Our responsibility is to express a conclusion on the Statement based on our review,

3. We conducted our review of the Statement in accordance with the Standard on review Engagements (SRE) 2410, "Review on interim Financial Information performed by the Independent Auditors of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Standard is free of material misstatement. A review is limited primarily to inquire of the company personal and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed and audit and, accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The Statement includes the results of the following entities:

- Himalaya Green Apartments Ltd
- Appetizer and Snacks Foods Ltd

For SHARMA KUMAR & ASSOCIATES

Chartered Account

Firm Registration No. 030842N

(Kailash Sharma)

Partner

M.No. 543197

UDIN: 24543197BKCPKG2220

Dated: 06.07.2024

Place: New Delhi

UN-AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QTR ENDED JUNE 30, 2024

S.no.	Particulars	Quarter Ended			Year Ended
		Un-Audited	Audited	Un-Audited	Audited
		30-Jun-24	31-Mar-24	30-Jun-23	31-Mar-24
1.	Revenue from Operations				
	Net Sale/Income from operations	1064.28	1209.65	830	4425.66
	Income from Export incentive	7.56	13.61	2.95	49.36
	Interest Income				
	Other Sales net Building/ Machinery Scrap	10.40	23.67	0	243.37
	Other Income		2.88	219.70	6.34
	Total Income from Operations	1082.24	1249.81	1052.90	4,724.74
2.	Expenses				
	Change in inventories of Finished Goods and WIP	10.00	(45.00)	30.00	274.83
	Inventory loss in Fire (Recoverable in Insurance Claim)				
	Operating Expenses	426.84	609.46	340.76	7001.21
	Employees Benefit Expenses	53.98	71.32	92.80	307.74
	Increase/Decrease in Goods in transit	55.23	52.76	(64.63)	(149.24)
	Finance Cost*	1.35	52.96	1.06	67.46
	Depreciation	141.00	130.00	168.00	634.00
	Other Expenses (G & SA**)	305.72	255.43	429.86	1164.28
	Assets loss in Fire				
3.	Total Expenses	994.08	1126.92	997.86	4300.28
4.	Profit (loss) from ordinary activities before exceptional & extraordinary items (1-2)	88.16	122.89	55.04	424.45
5.	Exceptional items (Profit/Loss)				
5 (a)	Exceptional items (Profit/Loss) Loss of inventory				
6.	Profit (loss) before Tax (3-4)	88.16	122.89	55.04	424.45
	Tax Expenses				
	Current Tax				
7.	Deferred Tax	0.00	(65.32)	0	(45.32)

8.	Profit (loss) before Tax (3-4)	88.16	188.21	55.04	424.45
9.	Other Comprehensive Income/ Losses				
10.	Total Comprehensive / Loss for the period (7+8)	88.16	188.21	55.04	489.77
11.	Paid up Equity Share Capital face value of Rs. 10/- per share)	5785.29	5787.29	5787.29	5787.29
	Earning per Equity Share				
	-Basic (Rs.)	0.15	0.33	0.10	0.85
	-Diluted (Rs.)	0.15	0.33	0.10	0.85

Notes:

**In Finance only Bank Charges, OTS interest amount not included.*

*** G&SA. (General, Sales & Admin Exp. of India& USA including logistics cost)*

Dated: 06.07.2024

Place: New Delhi

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 74 of this Draft Letter of Offer.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 16 and 12, respectively of this Draft Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of the year 2022-2023 and 2023-2024.

Our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 74. Unless otherwise indicated or the context requires, the financial information for Fiscal 2023-2024 and Fiscal 2022-2023 included herein is derived from our Consolidated Financial Statements, as of and for the year ended March 31, 2024 and 2023 and limited reviewed unaudited consolidated financial statements for the three months periods ended June 30, 2024 and June 30, 2023. Financial information as of and for the three months ended June 30, 2024 and 2023 are not indicative of future operating results and are not comparable with annual financial information.

Business Overview:

We operate and sell as well as export our products in highly competitive markets. Competition occurs principally on the basis of price, quality and brand name. Some of our competitors may have greater financial and marketing resources, larger manufacturing capacities, more cost-efficient production processes or stronger relationships with distributors, agents or retail chains in key markets for our products. Some of our competitors may also benefit from government-sponsored programs that subsidize their manufacturing costs or provide them with marketing or other advantages. In order to remain competitive, we are required to focus on reducing manufacturing, transportation and distribution costs and improve our operating efficiencies.

Our market position will also depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including new products, pricing strategy of competitors, changes in consumer preferences and general economic, political and social conditions in the markets in which we do business. Increasing competition could also result in price and supply volatility.

Competition in our core export market is in US and an increase in the number of larger competitors may also adversely affect our results of operations. We expect that we will face greater competition, which may lead to lower margins and adversely affect our results of operations

Significant Developments Subsequent to the Last Financial Year

To the knowledge of our Company, since the date of the last audited financial statements contained in this Draft Letter of Offer, for FY 2023-2024, no circumstances have arisen which would materially and adversely affect or would likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

The results for FY 2023-24 depict our resilience & determination to 'Turn Around' the Company from the Force Majeure years of Covid & devastating Fire in Gujarat Plant in May 2022. Majority cash generation during last two years has gone towards OTS payment to the consortium banks. The banks are considering extension of period for the payment of balance amount of Rs 43 Crores including interest within the current financial year 2024-25. Our products under "Himalaya Fresh" and "Chef Ernesto" brands command goodwill in North America and our distributors/ customers are supportive for our growth inspite of delayed shipments after the Fire in May 2022.

We require quick infusion of funds for operations to meet export demand. Funds are also required to pay the balance amount under one time Settlement with the banks and to rebuild the fire destroyed premises. We are taking several steps depicted below to garner the resources required to fund the working capital, pay the balance OTS to banks and completion of 10 MT p.a. French Fry Plant:

- (1) Sale of 13.83 Hectares of Agriculture Land near Behror in Rajasthan.
- (2) Proposed Rights issue up to Rs 40 Crores.
- (4) Substantial recovery of overdue from export business:
- (5) Increase in revenue with enhancing working capital funds by unsecured loan from promoters

Further there has been change in Company Secretary as well as Independent Director.

Key Factors Affecting Our Results of Operations

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition for some were time.

- **Impact of Fire in Vadnagar Gujarat plant in May 2022 and non-availability of working capital:** Due to major fire in May, 2022 at our Vadnagar plant, our production facilities of French Fires are completely destroyed since then we have been able to utilize only mushroom facilities. In order to meet our Export orders to some extent, we restarted a small production line appetizer and Indian Sweet. We experienced and may continue to be subject to temporary as well as permanent closures and reduced factory-level operations such as reduced operating hours, as mandated by regulatory authorities. Our Company's total revenue from operations decreased by approximately 31.70% from ₹ 6837 Lakhs in FY 2023 to ₹ 4669 Lakhs in FY 2024.
- Any adverse changes in central or state government policies as well as any change in US import policies for our food products;
- Changes in domestic and US laws, regulations and taxes and changes in competition in our industry;
- Any adverse development that may affect our operations in Gujarat;
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;

- Our ability to maintain and enhance our brand image;
- Our reliance on third party suppliers for our raw material;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries specially US, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;

Significant Accounting Policies

For details of our significant accounting policies, please refer section titled “*Financial Statements*” on page 74 of this Draft Letter of Offer.

Principal components of our statement of profit and loss account total income

Revenue from operations:

Revenue from operation includes export in North America and sales in Domestic Market.

Other Income:

Other income comprised insurance claim receivable, duty draw back, Interest income, Export incentives.

Expenses

Expenses comprised of cost of materials consumed, changes in inventories of finished goods, work-in-progress and stock-in-trade, employee benefits expenses, finance costs, depreciation and amortization expenses and other expenses. Our largest amount of expenditure is cost of material consumed, payment of OTS amount to Banks.

Cost of Materials Consumed:

Cost of materials consumed comprised raw material cost, chemical costs, packing expenses including shipping i.e transporting of finished products.

Changes in inventories of finished goods, work -in- progress:

Changes in inventories of stock in trade comprises of expenses attributable to an increase or decrease in inventory levels of finished goods and trading material.

Employee benefit expenses:

Employee benefit expenses comprised of salary, wages and bonus, contribution to provident funds and funds, gratuity and employee welfare expenses etc.

Finance costs:

Finance cost comprised interest and finance charges on financial liabilities not at fair value through profit or loss

Depreciation and amortization:

Depreciation and amortization comprised with depreciation of property, plant and equipment.

Other Expenses:

Other Expenses comprised with power and fuel, rent, rates and taxes, insurance, repairs and maintenance, advertisement and sales promotion, postage and courier, travelling and conveyance, printing and stationery, communication, legal and professional, payment to Auditors, selling expenses, Misc exp., freight outward and other expenses.

Tax Expense

Our tax expense or credit for the period represents the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Results of Our Operations for the audited financial statement for the year 2024 and 2023

The following table sets forth, for the periods indicated, certain items from audited financial statements, in each case also stated as a percentage of our total income:

(Rs. Lakhs wherever applicable)

Particulars		March 31,2024	% age of Total Income	March 31, 2023	% age of Total Income
I.	Revenue from operations	4669	98.81	6837	70.11
II.	Other income	56	1.19	2914	29.89
III.	Total income (I+II)	4725	100.00	9751	100.00
IV.	Expenses				
	Cost of Materials Consumed	2001	42.34	2553	26.18
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	125	(2.64)	(755)	(7.74)
	Employee benefits expense	308	6.51	471	4.83
	Finance costs	67	1.41	33	0.33
	Assets loss in fire	0	0	5214	53.47
	Stock loss in fire	0	0	1621	16.62

	Depreciation and amortisation expense	634	1.33	681	6.98
	Other expenses	1164	24.63	2404	24.65
	Total expenses (IV)	4299	90.98	12222	125.34
V.	Profit/ (Loss) before exceptional items and tax (III-IV)	425	8.99	(2471)	(25.34)
VI.	Exceptional items	0	0	0	0
VII.	Profit / (Loss) before tax(V-VI)	425	8.99	(2471)	(25.34)
VIII.	Tax expense				
	Current tax	0	0	0	0
	Deferred tax	(65)	(1.37)	(51)	(0.52)
IX.	Profit / (Loss) from continuing operations	490	10.37	(2419)	(24.80)
X.	Profit/ (Loss) from discontinuing operations	0	0	0	0
	Other comprehensive income	0	0	0	0
	Earnings per equity share (for continuing operations)				
	(i) Basic earnings per share	0.85		0.85	
	(ii) Diluted earnings per share	0.85		0.85	

Comparison of Financial Year Ended March 31, 2024 with Financial Year Ended March 31, 2023

Total Income

Our Total Income decreased to Rs 4,725 Lakhs in Financial Year 2023-24 from Rs. 9751 Lakh in Financial Year 2022-23, primarily due to decrease in our Revenue from Operations as discussed below:

Revenue from operations:

Our revenue from operations decreased by 34.63% amounting to Rs. 2368 Lakhs in FY 2023-24 as compared to the FY ending on 2022-23, due to decrease in production on account of non-availability of working capital funds. There was a major decrease in our export to Rs. 2540 lakh in FY 2024 from Rs. 4533 lakh in FY 31, 2023.

Other Income:

Our other income decreased to Rs. 2858 Lakhs as compared to Rs. 56 Lakhs in FY 2023-24 from Rs. 2914 Lakhs in FY 2022-23, as the major income includes the insurance claims which was not included in the FY March 31, 2024. There was a marginal decrease in interest income during the Financial Year 2023-24 as compared to previous financial year.

Expenses

Our total expenses decreased to Rs. 4,299 Lakhs for the FY 2023-24 from Rs. 12,222 Lakhs for the FY 2022-23. Our total expenses was 24.63% of total income in FY 2023-24 and 24.65% of total income in FY 2022-23, which is a decrease in comparison to total income 0.02% of total income. The reasons for change are discussed below:

Cost of Materials Consumed:

Cost of materials consumed decreased by Rs 552 lakhs amounting to Rs. 2001 Lakh in FY 2023-24 from Rs. 2553 Lakhs in FY 2022-23. Decrease in purchase of raw materials consumed is attributable to increase in revenue from

operation during the year.

Cost of materials consumed increased as a percentage of total income to 42.34% in FY 2023-24 from 26.18% in FY 2022-23 which is, increase of 16.16% of total income. Cost of material includes the raw material, freight inward, packing expenses & other. There is major decrease in purchase of raw material by 41.42% respectively as a result of better negotiations with vendors and better efficiency in operations resulting in decrease of Cost of Material and services as a % of Total Income.

Changes in inventories of finished goods, work -in- progress and stock-in-trade:

Changes in inventories of finished goods, goods-in-progress increased to Rs.125 lakh in March 31, 2024 from Rs. (775) lakh in March 31, 2023. The closing stock of finished goods dropped from Rs. 1,995 lakhs to Rs. 302 lakhs, showing a significant reduction in inventory due to fire at our Vadnagar plant in May 2022, which impacted our inventory levels for the financial year ending March 31, 2023.

Employee benefit expenses:

Employee Benefit expenses decreased to Rs. 308 Lakhs for FY 2023-24 from Rs. 471 Lakhs for FY 2022-23 showing an decrease Rs. 163 lakhs as compared to FY 2022-23.

Employee benefits expenses as a percentage of total income to 6.51% in FY 2023-24 from 4.83% in FY 2022-23 which increase of 1.68% of total income. Employee benefit expense increased due to increase in revenue as compared to Financial Year 2022-23.

Finance costs:

Our finance costs increased to Rs. 67 lakh in March 31, 2024 from Rs. 33 lakh in March 31, 2023 which includes interest expense on loans from banks and financial institutions, and other borrowing costs.

Finance Cost increased as a percentage of total income to 1.41% in FY 2023-24 from 0.33% in 2022-23 which is increase of 1.08% of total income. Finance cost increased due to the non-availability of working capital.

Depreciation and amortization:

Our expenses on depreciation and amortization expense decreased to Rs. 634 lakh during the Financial Year ended March 31, 2024 from Rs. 681 lakh during the Financial Year ended March 31, 2023 due to reduction in the company's asset base or changes in asset utilization.

Other Expenses:

Other expenses decreased from ₹ 2404 lakh during the Financial Year ended March 31, 2023 to ₹ 1164 lakh during the Financial Year ended March 31, 2024 due to decrease in rent, rates and taxes, insurance, repairs and maintenance, legal and professional.

Other Expenses increased as a percentage of total income to 24.63% in FY 2023-24 from 24.65% in FY 2022- 23 showing decrease of 0.02% of total income. Other expense includes power and fuel, rent, rates and taxes, insurance, repairs and maintenance, advertisement and sales promotion, postage and courier, travelling and conveyance, communication, legal and professional payment to auditors, selling expenses, freight outward, and other expenses.

Other expenses decreased due to decreased activities of power and fuel, rent selling expenses and freight outward.

Profit after tax

Profit after tax increased to Rs. 490 Lakhs in March 31, 2024 from Rs. (2419) Lakh in March 31, 2023. Our profit after tax increase as a percentage of total income to 10.37% in FY 2023-24 from (24.80) % in FY 2022-23 which is increase in profit of (34.37) % of total income. There was a loss in the Financial Year March 31, 2023 due to major fire in one of our plant which impact our operation as well as loss in assets and stock.

Cash flows

The table below summarizes our Cash flows for Financial Year 2023 - 24 and Financial Year 2022-23:

Particulars	(Rs. Lakhs)	
	FY 2023 - 24	FY 2022-23
Net cash generated from Operating activities	(275)	653
Net cash (used in) / generated from Investing activities	(331)	(280)
Net cash (used in) / generated from Financing activities	599	(391)
Net cash flow during the year	49	57

Comparison of cash flow of Financial Year 2024 with Financial Year 2023

Net cash generated from Operating activities:

The net cash inflow from operating activities decreased to Rs (275) the Financial Year ended March 31, 2024 from Rs 653 Lakhs in the Financial Year ended March 31, 2023, due to various factors, including changes in trades receivables, inventories and trade payable and there was notable adjustment in other financial liabilities and non-current assets, which impacted the overall cash flow.

Net cash (used in) / generated from investing activities:

The net cash outflow from investing activities increased to Rs (331) Lakhs the Financial Year ended March 31, 2024 from Rs. (280) Lakh in the Financial Year ended March 31, 2023 due to company spent on property, plant and equipment as compare to previous year.

Net cash (used in) / generated from financing activities:

The Net cash flow from financing activities increased to Rs. 599 Lakhs in the Financial Year ended March, 2024 from Rs (391) in the Financial Year ended March 2023, due to the proceeds from borrowings in 2024, which were not present in 2023. This influx of funds in 2024 led to a positive net cash flow financing activities, whereas the return of application money in 2023 resulted in a negative net cash flow.

Our Results of Operations for the limited reviewed unaudited consolidated financial Results for the three months period ended June 30, 2024 and June 30, 2023

The following table sets forth, for the limited reviewed unaudited consolidated financial results for the three months period ended June 30, 2024 and June 30, 2023, certain items derived from our Summary Statements, in each case also stated as a percentage of our total income:

Particulars	June 30, 2024	% age of Total Income	June 30, 2023	% age of Total Income
I. Revenue from operations				
Net Sale/Income from operations	1064.28	98.34	830	78.85
Income from Export Incentive	7.56	0.70	2.95	0.28

	Other Sales net building/ Machinery Scrap	10.40	0.96	-	-
	Other income	-	-	219.70	20.87
II.	Total income (I+II)	1,082.24	100	1,052.65	100
III.	Expenses				
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	10.00	0.92	30.00	2.85
	Operating Expenses	426.84	39.45	340.76	32.37
	Employee benefits expense	53.93	4.98	92.80	8.82
	Increase/Decrease in Goods in transit	55.23	5.10	(64.63)	(6.14)
	Finance costs	1.35	0.13	1.06	0.10
	Depreciation	141.00	13.03	168.00	15.96
	Other expenses	305.72	28.24	429.86	40.83
	Total expenses (IV)	994.08	91.85	997.86	94.79
IV.	Profit/ (Loss) before exceptional items and tax (III-IV)	88.16	8.15	55.04	5.23
V.	Exceptional items	-	-	-	-
VI.	Profit / (Loss) before tax(V-VI)	88.16	8.15	55.04	5.23
VII.	Tax expense				
	Current tax	-	-	-	-
	Deferred tax	-	-	-	-
VIII.	Profit / (Loss) for the period	88.16	8.15	55.04	5.23
IX.	Other comprehensive income/ loss	88.16	8.15	55.04	5.23
X.	Total comprehensive income/ loss for the period	88.16	8.15	55.04	5.23
XI.	Paid up Equity Share Capital face value of Rs. 10/- per share)	5787.29		5787.29	
	Earnings per equity share				
	(i) Basic earnings per share	0.15		0.10	
	(ii) Diluted earnings per share	0.15		0.10	

Comparison of limited reviewed unaudited consolidated financial Results for the three months period ended June 30, 2024 and June 30, 2023

Revenue

Revenue from operations:

Our revenue from operation increased by 28.23% amounting to Rs. 234.2 lakh in the quarter ending on June 30, 2024 as compared to the Quarter ending on June 30, 2023, as a result of increased sales due to increase in sales.

Other Income:

Our other income decreased due to exceptional item which include insurance claim the last three months period June 30, 2023 which not included in the other income in the three months period ended June 30, 2024.

Expenses

Changes in inventories of finished goods, work -in- progress and stock-in-trade:

Changes in inventories of finished goods, goods-in-progress reduced by Rs. 20 Lakhs from the last three month period ended June 30, 2023. This result reflect the significant increase in revenue, which suggests our company will able to convert a larger portion of its inventory into sales more efficiently.

Operating Expenses:

Our operating expenses increased to Rs. 426.84 for the period ended June 30,2024 from Rs. 340.76 in for the period ended June 30,2023 due to increase in the production.

Operating expenses increased as a percentage of total income to 39.45% in for the period ending June 30, 2024 from 32.37% in for the period ending June 30, 2023 which is increase of 7.08% of total income. Operating expense are directly proportionate to revenue, therefore our operating expenses increased due to increase in revenue for the period ending June 30, 2024.

Employee benefit expenses:

Employee benefit expenses decreased significantly to ₹53.93 lakh in June 2024 from ₹92.80 lakh in June 2023. This reduction was primarily due to lower production in the financial year 2023-2024, which also led to a reduction in our workforce.

Finance costs:

Our finance costs, including interest expense on loans from banks and financial institutions, and other borrowing costs, increased to ₹ 1.35 lakh from ₹ 1.06 lakh for the three months ended June 30, 2024 and June 30, 2023.

Finance Cost increased as a percentage of total income to 0.13% in for the period ending June 30, 2024 from 0.10% in for the period ending June 30, 2023 which is increase of 0.03% of total income. Finance cost increased due to the non-availability of working capital.

Depreciation and amortization:

Depreciation and amortization expenses decreased from the previous year, reflecting a reduction in the company's asset base or changes in asset utilization. For the period ending June 30, 2024, depreciation expenses was at Rs. 141.00 lakh, down from Rs. 168.00 lakh in the same period of the previous year

Other Expenses:

Other expenses decreased from Rs. 429.86 Lakh in June 30, 2023 to Rs. 305.72 Lakh in June 30, 2024. Our company implemented cost-cutting measures and streamline operations, which led to lower overhead expenses.

Our other expense decreased as a percentage of total income to 28.24% in for the period ending June 30, 2024 from 40.83% in for the period ending June 30, 2023 which is decrease of 12.59% of total income, due to decreased activities of power and fuel, rent selling expenses and freight outward.

Profit after tax

Profit after tax increased from Rs 55.04 Lakh in June 30, 2023 to Rs. 88.16 Lakhs in June 30, 2024 which was increased due to rise in total income and slight decrease in total expenses.

Our profit after tax increased as a percentage of total income to 8.15% in for the period ending June 30, 2024 from 5.23% in for the period ending June 30, 2023.

Quantitative and Qualitative Analysis of Market Risks

Our business exposes us to a variety of financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counter party defaults on its obligations. Our Company's exposure to credit risk arises majorly from trade receivables/ unbilled revenue and other financial assets. Other financial assets are bank deposits with banks and hence, our Company does not expect any credit risk with respect to these financial assets.

Liquidity risk

Liquidity risk refers to insufficiency of funds to meet the financial obligations. Liquidity risk management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign exchange risk.

SECTION-VI LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT

Our Company is subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as disclosed below there are no outstanding litigation involving our Company with respect to (i) issues of moral turpitude or criminal liability on the part of our Company, (ii) material violations of statutory regulations by our Company, (iii) economic offences where proceedings have been initiated against our Company, (iv) any matters which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company.

Our Board of Directors, in its meeting held on October 7, 2024, determined that outstanding litigation involving our Company, shall be considered material (“**Material Litigation**”) if the amount involved exceeds Rs. 10 Lakhs.

LITIGATIONS INVOLVING OUR COMPANY

I. Litigations filed against our Company:

a) Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:

- **Simplot India LLC & Anr. v. Himalaya Food International Limited - O.M.P. (EFA)(COMM.) 1 / 2020:**

Simplot India LLC (“**Petitioner**”) filed an execution petition against our Company seeking enforcement of Singapore Court award dated March 23, 2020, as corrected on May 08, 2020, before the Delhi High Court. Under the award, Simplot was ordered to return of the equipment (that it had removed in March, 2013 from our Company’s Plant situated in Gujarat) within 21 Days of the award i.e., by April 13, 2020. Our Company was ordered to pay \$3.9 million with interest @5.33% P.A. on \$1,650,998.00 from the date of award till actual payment. Simplot India LLC repudiated the award by not returning the equipment by April 13, 2020, and filed an execution of their part of award at Delhi High Court & has also filed for execution of award at Court in New Jersey USA. Simplot India LLC claims around Rs. 32 Crores plus further interest on US\$ 1,650,998 from date of award. Our Company has also filed execution of their part of award & has claimed Rs. 35 Crores for key equipment’s not returned & Rs. 70 Crores for loss of profit for the period April 13, 2020 (date by when they had to return machinery) till the date line was destroyed in fire on May 20, 2022. The agreement stated that Simplot India LLC the JV partner shall pay all taxes & duties. The underlying Master Agreement that was to be stamped under the stamp act of India remained unstamped since 2011. The stamp duty alone is around Rs. 2.2 crore with provision of penalty up to 10 times payable by JV partner. As per the last order of the hon’ble court dated February 02, 2024, our Company has sought time for sale of certain properties and to arrive at a settlement with its creditors and the Court entertained the submissions in view of the position that the decree holder is unlikely to recover anything unless our Company is able to settle the banks’ claims. The matter is pending before Delhi High Court. The maximum liability to our company if at all arises would be **approx. Rs. 3200 lakhs**. Against such contingent liability, our claim of Rs. 10500 lakhs as mentioned above is pending in the Delhi High Court.

- **M/s Yamir Packaging Pvt Ltd. v. M/s Himalaya Food International Limited - Comm CS - 366/2023:**

M/s. Yamir Packaging Pvt Ltd. (“**Plaintiff**”) filed a commercial civil suit being CS/366/2023 before the City Civil and Sessions Court, Ahmedabad, Gujarat against our Company for

recovery of debt. Plaintiff had provided products worth Rs. 45,53,928/- (Rupees forty-five lakh fifty-three thousand nine hundred and twenty-eight only) but out of the total billing amount, allegedly our Company had only made a part payment of Rs. 7,00,000/- (Rupees seventy Thousand only) in 4 parts to the plaintiff from January 2022 to April 2022 and the said part - payment was allegedly made by the Company only at the initial time of placing orders to gain confidence and trust of plaintiff but thereafter allegedly our Company has not made a single payment towards total outstanding amount of Rs. 38,53,928/- (Rupees thirty-eight lakh fifty-three thousand nine hundred twenty-eight only). Even when the Company was not making payment towards outstanding amount, the plaintiff to maintain good relations had again delivered products worth Rs. 2,36,803/- (Rupees two lakh thirty-six thousand eight-hundred and three only) in the month of July 2022 upon the assurance given by the Company that they will process the payment of the outstanding dues. Hence the present suit was filed praying from the hon'ble court to pass a decree for Rs. 38,53,928/- (Rupees thirty-eight lakh fifty-three thousand nine hundred twenty-eight only) by plaintiff against the Company with interest @ of 18% per annum till the realization of the said suit. As on date the said matter is pending before the City Civil and Sessions Court, Ahmedabad, Gujarat. The amount involved in this litigation is Rs. 38.54 lakhs.

- **Jhaveri Flexo India Ltd. v. Himalaya Food International Ltd. - Commercial Summary Suit/105/2022:**

Jhaveri Flexo India Ltd. (“**Plaintiff**”) filed a commercial summary suit being CSS/105/2022 under Order XXXVII, Rule 2 of the Code of Civil Procedure, 1908 before the Civil Court, Dindoshi, Maharashtra against our Company for recovery of outstanding amount. Our Company vide it's purchase order(s) dated February 13, 2020, and April 29, 2020, placed through the emails had purchased laminate plain/tater round Films from the Plaintiff. The Plaintiff vide its email dated February 13, 2020, to our Company had clearly stated that all the payments were to be made within 30 days from the date of the invoice and after the delivery of the goods, the Plaintiff raised an invoice of Rs. 18,55,985 (Rupees eighteen lakh fifty-five thousand nine hundred and eighty-five only)for which our Company had paid only Rs. 2,00,000 (Rupees two lakhs) and Rs. 16,55,985 (Rupees sixteen lakh eighty five thousand nine hundred and eighty five) was outstanding. Even after repeated reminders from the Plaintiff to the Company and its representatives for clearance of the Principal Outstanding Amount there was no reply. Hence; the present suit was filed praying before the hon'ble court that the Company be ordered and decreed to pay the Principal Outstanding Amount of Rs. 16,55,985/- along with interest amount of Rs. 3,56,080/-. As on the date the said matter is pending before the Civil Court, Dindoshi, Maharashtra. The amount involved in this litigation is Rs. 20.12 lakhs.

- **Vinit Kanti Kumar Parekh v. Himalya International Ltd. - LPETN/580/2010:**

Vinit Kanti Kumar Parekh (“**Petitioner**”) filed a leave petition against our Company before the Bombay High Court. Our Company terminated Petitioner’s employment due to his poor performance within the probation period due to which Petitioner has filed a case against the Company the matter is currently in pre-admission process before the Bombay High Court

- **Rambihari Ramlal Mina v. Himalaya Food International Ltd. - TLC/1146/2019:**

Rambihari Ramlal Mina (“**Petitioner**”) filed a case against our Company in the Labour court of Ahmedabad under Section 10 of Industrial Dispute Act, 1947. Petitioner was an ex-employee of our Company who left our Company without giving any intimation. It is pertinent to mention here that previously corruption charges has been levied against him and the same was reported by our Company to police and Petitioner filed a case in Labour Court, Ahmedabad against our Company. The said matter is currently pending before the Court

Labour Court, Ahmedabad.

b) Matters involving issues of moral turpitude or criminal liability on the part of our Company:

Nil

c) Matters involving material violations of Statutory Regulations by our Company:

1. Direct Taxation:

• **E- Proceedings**

The following e-proceedings are shown as pending with “open” or “pending” status. However, the amount cannot be crystallized in all the below mentioned E- Proceedings:

Assessment Year	Proceeding Name	Amount	Proceeding Status
2012-13	<p>Penalty Proceeding Notices under section 271 (1) (c) of the Income Tax Act (“the Act”) were issued against our Company by Income Tax Department. The details of the said notices are as under:</p> <ol style="list-style-type: none"> 1. Penalty Proceeding Notice dated December 26, 2018, vide DIN No.- ITBA/PNL/S/271(1)(c)/2018-19/1014579180(1) 2. Penalty Proceeding Notice dated June 03, 2021, vide DIN No.- ITBA/PNL/F/17/2021-22/1033257675(1) 3. Penalty Proceeding Notice dated June 19, 2024, vide DIN No.- ITBA/PNL/F/271(1)(c)/2024-25/1065841348(1) <p>The above mentioned Notices were in connection to taxability of its agricultural income disclosed in our Company’s return of income under the head ‘Profit & Gains of Business and Profession’ amounting to Rs. 15,12,47,000/-.</p> <p>Our Company had initially filed its return of income for Rs. 17,17,610/- and later revised the same to NIL and booked a profit of Rs. 4,78,13,000/-. The same was scrutinised by the Assessing Officer and the income amounting to Rs. 15,12,47,000/- was upheld. Aggrieved by the assessment, an appeal was filed by our Company wherein the Income Tax Authority directed our Company to furnish material evidences.</p> <p>Further, a reply dated August 12, 2024 has been filed by our Company requesting to keep the penalty proceedings in abeyance till the disposal of first appeal. As on date, the said proceeding is open on the Income tax Website.</p>	Amount not ascertained	Pending
2012-13	Our Company has received notices dated January 11, 2023 under section 226 of the Income Tax Act (“ the Act ”) having DIN	8,15,28,988	Pending

	<p>ITBA/COM/F/17/2022-23/1048625330(1)</p> <p>ITBA/COM/F/17/2022-23/1048626473(1)</p> <p>ITBA/COM/F/17/2022-23/1048625793(1)</p> <p>ITBA/COM/F/17/2022-23/1048626234(1)</p> <p>ITBA/COM/F/17/2022-23/1048625581(1)</p> <p>ITBA/COM/F/17/2022-23/1048626023(1)</p> <p>stating that Current Accounts 34374698563, 30873992746, 10324774676, 4200201000123, CC01110010, CBCA/01/000383, 34199989173, 30936917135 have a sum of Rs. 6,03,56,600/- (without interest till date) due from our Company on account of Income tax/Interest/Super tax/ Penalty/ Fine/ FBT. Our Company has been required under section 226(3) of the Act to pay to forthwith any amount due, for or on account of the Company upto the amount of arrears.</p> <p>Further, an Issue Letter was issued against our Company under Income Tax Act (“the Act”) vide DIN ITBA/COM/F/17/2022-23/1048936447(1) dated January 19, 2023 raising a demand of Rs. 7,65,06,360/- against the assessment order dated March 28, 2018, our Company filed an appeal before the CIT(A) which is still pending.</p> <p>As per the notice received Stay was granted to our Company in March, 2019 on a lump sum payment of Rs. 35,00,000/- with a monthly instalment of Rs. 5 lacs per month w.e.f. June, 2019. Total recovery of Rs. 99,77,052/- was made in this case upto March, 2020. Thereafter, instalment granted to our Company were not fulfilled.</p> <p>A reply was filed by our Company, and it was held by the Commissioner of Income Tax that our Company was required to make payment to the extent of 20% of total outstanding tax demand since its appeal is pending before the CIT(A). 20% of the outstanding demand amounted to Rs. 1,53,01,272/- out of which a sum of Rs. Rs. 99,77,052/- has been paid.</p> <p>Further, an appeal was filed by our Company on which an order was passed by the Principal Commissioner of Income tax wherein the income claimed by our Company was accepted as agricultural income. The same was found to be definitive by the Hon’ble High Court of Delhi in ITA 14/2019 & CM Appeal 1268/2019 and the Hon’ble High Court found no justification to interfere with the directions as framed by the Income Tax Appellate Tribunal.</p> <p>Therefore, an outstanding demand was raised of Rs. 6,55,99,438/- and interest aggregating to Rs. 1,59,29,550, which is still pending as shown on the Income Tax Website.</p> <p>As on date the said E Proceeding is Open.</p>		
2018-19	<p>Adjustment Notices under Section 143(1)(a) under the Income Tax Act, 1956 (“the Act”) were issued against our Company vide DIN CPC/1819/G22/1919458918 dated March 23, 2019 and vide DIN CPC/1819/G22/1919458918 dated September 03, 2019. As per the said notices, the return filed for AY 2018-2019 contains</p>	8,876,859	Pending

	<p>errors/incorrect claims/ inconsistencies which attract following adjustment(s), as specified under section 143(1)(a) of the Act:</p> <p>Disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return-143(1)(a)(iv)</p> <ul style="list-style-type: none"> • There was an inconsistency in amount debited to profit and loss account of the previous year but the same was disallowable under section 43B. The Amount in ITR was Rs.0, while the amount mentioned in Form Annexure 3CD was Rs. 27,02,144/-; hence, there was variance on account of proposed adjustment which was Rs. 27,02,144/-. • The sum received from employees as contribution to provident fund or superannuation fund or any other fund for the welfare of employees to the extent not credited to the employees account on or before the due date, wherein the amount of ITR was Rs. 3,58,870/-, while the amount mentioned in Form Annexure 3CD was Rs. 32,06,813/-, hence there was a variance on account of proposed adjustment which was Rs. 28,47,943/-. <p>As on date no further communication is received from the authorities and the said E Proceeding is shown as Pending on the Income Tax website.</p>		
2019-20	<p>A Proposed Adjustment Notice under Section 143(1)(a) under the Income Tax Act, 1956 (“the Act”) was issued against our Company vide DIN CPC/1920/G22/1973907055 dated February 14, 2020. .As per the said notices, the return filed for AY 2019-2020 contains errors/incorrect claims/ inconsistencies which attract following adjustment(s), as specified under section 143(1)(a) of the Act:</p> <ul style="list-style-type: none"> • The amount debited to the profit and loss account, to the extent disallowable under section 43B was not consistent with amount as shown. <u>The</u> Amount in ITR was Rs.0, while the amount as computed by the Income Tax Authority was Rs. 23,73,753/-, hence there was a variance on account of proposed adjustment which was Rs. 23,73,753/-. • The amount debited to the profit and loss account, to the extent disallowable under section 40 was not consistent with amount as shown. <u>The</u> Amount in ITR was Rs. 1,28,55,740/- while the amount as computed by the Income Tax Authority was Rs. 1,67,12,462/-, hence there was a variance on account of proposed adjustment which was Rs. 38,56,722/- • There was an inconsistency in amount debited to profit and loss account to the extent disallowable under section 36. <u>The</u> Amount in ITR was Rs. 15,44,204/-, while the amount computed by the Income Tax Department was Rs. 35,42,670; hence, there was a variance on account of proposed adjustment which was Rs. 19,98,466/-. • Disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return-143(1)(a)(iv):- There was an Inconsistency in amount debited to profit and loss account of the previous year but disallowable under section 43B. The amount in ITR was Rs. 0/-, while the amount computed by the Income Tax 	82,28,761	Pending

	<p>Department was Rs. 23,73,753/-, hence, there was a variance on account of proposed adjustment which was Rs. 23,73,753/-.</p> <ul style="list-style-type: none"> • The sum received from employees as contribution to provident fund or superannuation fund or any other fund for the welfare of employees to the extent not credited to the employees account on or before the due date, wherein the amount of ITR was Rs. 10,10,998/-, while the amount mentioned in Form Annexure 3CD was Rs. 30,09,464/-, hence there was a variance on account of proposed adjustment which was Rs. 19,98,466/-. <p>Further no replay has been filed from our Company and the said proceeding is still pending on the Income tax Website.</p>		
2020 - 21	<p>A Proposed Adjustment Notice under Section 143(1)(a) under the Income Tax Act, 1956 (“the Act”) was issued against our Company vide DIN EFL/2021/G22/9896861226 dated October 1, 2021. As per the said notices, the return filed for AY 2020-2021 contains errors/incorrect claims/ inconsistencies which attract following adjustment(s), as specified under section 143(1)(a) of the Act:</p> <ul style="list-style-type: none"> • Inconsistency in sum received from employees as contribution to provident fund or superannuation fund or any fund set up under ESI Act or any other fund for the welfare of employees to the extent not credited to the employees account on or before the due date, wherein the amount of ITR was Rs. 3,39,201/-, while the amount mentioned in Form Annexure 3CD was Rs. 1,21,664/-, hence there was a variance on account of proposed adjustment which was Rs. 8,77,446/-. • Inconsistency in amount debited to profit and loss account of the previous year but disallowable under section 43B claimed in return and audit report wherein the amount of ITR was Rs. 0/-, while the amount mentioned in Form Annexure 3CD was Rs. 15,16,061/-, hence there was a variance on account of proposed adjustment which was Rs. 15,16,061/-. <p>Further no replay has been filed from our Company and the said proceeding is still pending on the Income tax Website.</p>	23,92,507	Pending
2023-24	<p>A Proposed Adjustment Notice under Section 143(1)(a) under the Income Tax Act, 1956 was issued against our Company vide DIN EFL/2324/G22/ITR000600537844 dated January 24 1, 2024. As per the said notices, the return filed for AY 2020-2021 contains errors/incorrect claims/ inconsistencies which attract following adjustment(s), as specified under Section 143(1)(a) of the Act:</p> <ul style="list-style-type: none"> • Inconsistency in sum received from employees as contribution to provident fund or superannuation fund or any fund set up under ESI Act or any other fund for the welfare of employees to the extent not credited to the employees account on or before the due date, wherein the amount of ITR was Rs. 5,49,026/-, while the amount mentioned in Form Annexure 3CD/ Form 10B/ Form 10BB was Rs. 5,63,340 /-, hence 	14,314	Open

	<p>there was a variance on account of proposed adjustment which was Rs. 14,314/-.</p> <p>Further no replay has been filed from our Company and the said proceeding is still pending on the Income tax Website.</p>		
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• **Outstanding Demand:**

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Company are still outstanding:

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	No. of Defaults	Outstanding Demand (in Rupees)	Accrued/Final Interest (in Rupees)
2020	154	2024202037252829093C	December 20, 2021	1	4,92,38,510	5,908,620
Total					4,92,38,510	5,908,620

• **Tax Deducted at Source (TDS):**

Sr. No	Financial Year	Total Default (in Rupees)
1.	2023-24	76,256.00
2.	2022-23	1,93,439.00
3.	2021-22	78,997.00
4.	2020-21	1,80,093.23
5.	Prior Years	38,00,321.16
Total		4,329,106.39

2. Indirect Taxation:

- A GST Notice for conducting of audit dated January 11, 2024, was received by our Company from Office of the Deputy Commissioner, CGST Audit Circle, Shimla. As per the notice, it was decided by the authorities to undertake an audit of the books of accounts and records for GST period from April, 2020 to March, 2023 in accordance with the provisions of Section 65 of CGST Act, 2017. Our Company was required to afford the audit group the necessary facility to verify the books of account and records, or other documents as may be required in this context and furnish such information as may be required and render assistance for timely completion of audit. Further, our Company was required to submit the document/information in person/ through an authorized representative or through email as required for audit within 15 days and in case of failure to comply with the notice, it was mentioned in the notice that it would be presumed that we are not in possession of such books of account and proceedings as deemed fit may be initiated as per

the provisions of the Act and the rules made there under against us without making any further correspondence in this regard. As of now this audit is pending adjudication.

- An order was passed by the Additional Commissioner, Central Goods & Services Tax Commissionerate, Shimla against our Company on December 21, 2023, having order number 16 /ADC/ADJ./CGST/SML/2023-24. The following demands were raised, and penalties were imposed on our Company:
 - Demand of Outward tax of CGST amounting to Rs. 8,83,434/- (Rupees Eight Lakh Eighty-Three Thousand Four Hundred Thirty-Four only) under Section 74(9) of the CGST Act, 2017 along with applicable interest payable thereon as per Section 50 of the CGST Act, 2017;
 - Order appropriation of amount of Rs. 2,16,519/- (Rupees Two Lakhs Sixteen Thousand Five Hundred Nineteen only) deposited as CGST;
 - Penalty of Rs.8,83,434/- (Rupees Eight Lakh Eighty-Three Thousand Four Hundred Thirty-Four only) on the noticee under Section 122 (2) (b) read with Section 74 of the CGST Act, 2017;
 - Demand of Outward tax of SGST amounting to Rs.10,72,913/- (Rupees Ten Lakhs Seventy-Two Thousand Nine Hundred Thirteen only) under Section 74(9) of the HP GST Act, 2017 along with applicable interest payable thereon as per Section 50 of the HP GST Act, 2017;
 - Order appropriation of amount of Rs.2,16,519/- (Rupees Two Lakhs Sixteen Thousand Five Hundred Nineteen only) deposited as SGST;
 - Penalty of Rs.10,72,913/- (Rupees Ten Lakhs Seventy-Two Thousand Nine Hundred Thirteen only) on the noticee under Section 122(2)(b) read with Section 74 of the HP GST Act, 2017;
 - Demand of Outward tax of IGST amounting to Rs.5,73,47,207/- (Rupees Five Crores Seventy-Three Lakhs Forty-Seven Thousand Two Hundred Seven only) under Section 74(9) of the CGST Act, 2017 along with applicable interest payable thereon as per Section 50 of the CGST Act, 2017;
 - Order appropriation of amount of IGST of Rs. 10,08,802/- (Rupees Ten Lakhs Eight Thousand Eight Hundred Two only) deposited;
 - Penalty of Rs.5,73,47,207/- (Rupees Five Crores Seventy-Three Lakhs Forty-Seven Thousand Two Hundred Seven only) on the noticee under Section 122(2)(b) read with Section 74 of the CGST Act, 2017 as made applicable to IGST Act, 2017 by virtue of Section 20 of the IGST Act, 2017;
 - Demand of Outward tax of Compensation Cess amounting to Rs.2,21,351/- (Rupees Two Lakhs Twenty-one Thousand Three Hundred Fifty-one only) under Section 74(9) of the CGST Act, 2017 along with applicable interest payable thereon as per Section 50 of the CGST Act, 2017;
 - Penalty of Rs.2,21,351/- (Rupees Two Lakhs Twenty-one Thousand Three Hundred Fifty-one only) on the noticee under Section 122(2)(b) read with Section 74 of the CGST Act,2017 as made applicable to GSTC Act, 2017 by virtue of Section 11 of the GSTC Act, 2017;

The total amount involved is Approx. Rs. 607 lakhs.

d) Economic Offences where proceedings have been initiated against our Company:

Nil

II. Litigations filed by our Company:

- **Himalaya Food International Limited v. Simplot India LLC & Anr. - O.M.P.(EFA)(COMM.) 14/2021:**

Our Company filed an execution petition being O.M.P.(EFA)(COMM.)-14/2021, under Section 48 and 49 of the Arbitration and Conciliation Act, 1996, Order XXI read along with Section 151, of the Code of the Civil procedure, 1908 before the Hon'ble High Court of Delhi at New Delhi against Simplot India LLC & Anr. (“**Judgment Debtor**”), seeking enforcement and execution of the foreign award dated March 23, 2020, passed by the Ld. Arbitral Tribunal in Singapore in SIAC Arbitration No. 047 of 2017 (ARB047/17/KRW) under the SIAC Rules. Hence, our Company filed the present petition praying that the Hon'ble Court may be pleased to direct the Judgment Debtor to return all the equipment/components of Personal Protective Equipment (PPE) in terms of the Award dated March 23, 2020, claimed Rs. 35 Crores (Rupees Thirty Five Crores only) for key equipment's not returned & Rs. 70 Crores (Seventy Crores Only) for loss of profit for the period April 13, 2020 (date by when they had to return machinery) till the date line was destroyed in fire on May 20, 2022, file a report/affidavit disclosing status and condition of the components of PPE, to permit our Company to inspect such equipment's, to appoint for the performance of all acts required to be done for execution of the decree award, to appoint a receiver to take possession of all the equipment's component of PPE and to grant interim and ad interim relief to the prayers. As per the last order of the Hon'ble Delhi High Court dated February 02, 2024, our Company has sought time for sale of certain properties and to arrive at a settlement with its creditors and the Court entertained the submissions in view of the position that the decree holder is unlikely to recover anything unless our Company is able to settle the banks' claims. The matter is pending before the Delhi High Court. The amount claimed by us is Rs. 10500 lakhs.

- **Himalaya International Ltd V. Iffco - Tokio General Insurance Company - RFA 571/2018:**

Our Company has filed an appeal being RFA-571/2018, under Section 96 of the Code of Civil Procedure, 1908 read along with Section 10 of the Delhi High Court Act & Rules against the IFFCO-TOKKIO General Insurance Company against judgment decree dated March 27, 2017, passed by the Ld. Sh. Lalit Kumar, Additional District Judge-01. The ground for present appeal is as while passing the judgment, Ld. Trial Judge has failed to consider one of the material ground that under the Insurance Act, 1938 coupled with the Policy of Insurance and Insurance Rules it is mandatory upon loss and damage intimation to the insurance company that the insurance company, the respondent is obligated to conduct the loss damage survey at its own end upon the reporting of the loss by the insured Appellant-Plaintiff which the Respondent has not done at all before the repudiation of the claim of the Appellant-Plaintiff. The repudiation of the claim of the Appellant was palpably illegal and arbitrary. Our Company in the present appeal prayed from the Hon'ble Court to allow the appeal and set aside the impugned judgment and pass such other and further orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case. As on date the said case is pending adjudication.

- **Himalaya Food International Ltd. v. Union of India, Ministry of Food Processing Industries - W.P.(C) 450/2020:**

Our Company has a writ petition being W.P.(C) 450/2020 before the Delhi High Court against Union of India, Ministry of Food Processing Industries (“**Respondent**”). As per the petition pursuant to the Scheme for setting up of an Integrated Cold Chain Project floated by the respondent, our Company had applied under the same. By the sanction letter dated

October 04, 2013, issued by the respondent, a grant-in-aid of Rs. 10 crore was approved in favour of our Company and an amount of Rs. 7,50,00,000/- (Rupees seven crore fifty lakh only) crore has already been released. Aggrieved with the withholding of the balance amount, our Company had filed Writ Petition being WP (C) 6666/2017 and the Court by an order dated April 23, 2019 directed the respondent to verify the investment claimed by the Company and to consider whether the facilities set up by the Company (without considering bulk milk chilling centers) is complete in all respects and would qualify as a Minimal Processing Centre at farm level. The respondent has now passed the Impugned Order dated September 12, 2019, not only rejecting the claim of the Company for the balance amount but also threatening to seek recovery of the amount already paid. As on date the said matter is pending before the Delhi High Court. The amount claimed by us is Rs. 2500 lakhs.

- **Himalya International Ltd. v. Baljeet Singh - CWP/149/2014:**
Our Company has filed a Civil Writ Petition against Baljeet Singh (“**Respondent**”) against the re-appointment of the Respondent before the High Court of Himachal Pradesh under Article 226 of the Constitution of India. Respondent was an ex-employee of our Company. He had negligent attitude towards his job, which eventually led to his termination by the company. Subsequently, Respondent filed a case before Paonta Civil Court. During the pendency of the suit, and upon the court order the Respondent was reappointed. Thereafter the company filed an appeal against the said re-appointment of the Respondent before Hon'ble High Court of Himachal Pradesh. Subsequently, the employee resigned from the company and the last hearing was scheduled on August 19, 2021 and no further hearings have been scheduled since then. Respondent has settled the matter with the company & company also agreed to withdraw the case in next hearing. The matter is currently pending before the High Court of Himachal Pradesh
- **Himalya International Ltd. v. Baljeet Singh - CMP/7090/2014:**
Our Company has filed a Civil Miscellaneous Petition against Baljeet Singh (“**Respondent**”) against the re-appointment of the employee before the High Court of Himachal Pradesh. This petition is in relation with Himalya International Ltd. Vs. Baljeet Singh CWP/149/2014. The matter is currently pending before the High Court of Himachal Pradesh
- **Himalaya Food International Ltd v. Farmico Food Pvt Ltd — SPCS/16/2018:**
Our Company has filed a case against Farmico Food Pvt Ltd (“**Respondent**”) at the Taluka Court, Kheralu, Gujarat. The Respondent is engaged in contract farming business. They were contracted by Our Company for potato farming and were provided with potato seeds worth approximately Rs. 1,60,00,000 (Rupees one crore and sixty lakhs only) for production. However, the Respondent failed to carry out the contract as agreed upon. Our Company filed a special civil suit against Respondent. The matter is currently pending before the Court of Taluka Court, Kheralu, Gujarat. The amount claimed by us is Rs. 160 lakhs.
- **Himalaya Food International Ltd v. Union of India — W.P.(C) 5756/2022:**
Our Company has filed a civil writ petition against Union of India (“**Respondent**”) in the Delhi High Court the Company applied for the PLI scheme under Ministry of Food Processing Industries (MOFPI), but their application was rejected by the respondent. The matter is currently pending before the Court of Delhi High Court.
- **Himalaya Food International Ltd and Ors. v. ACIT - ITA 2008/DEL/2023:**
Our Company has filed a case against ACIT ITA (“**Respondent**”) in the Income Tax

Appellate Tribunal. The said matter is in relation to the Pr. Commissioner of Income Tax vs. Himalaya International Ltd — ITA-924/2017. On the direction of PCIT, ACIT has re-assessed the case under section 263 of Income Tax Act, 1961 and passed the order and disallowing mushroom as agriculture income. Our Company has filed an appeal before CIT and request them to stay proceeding until the matter is resolved in the Delhi High Court. However, the CIT issued an ex-parte order against our Company without giving proper opportunity being heard. Subsequently, our Company moved to ITAT against the order passed by the CIT. ITAT has remanded back the case to CIT for fresh order. The said matter is pending adjudication.

Other Disclosures

Except as disclosed above, our Promoters and our Directors are not declared as wilful defaulters by RBI/ government authorities and there are no violations of securities laws committed by them in the past or pending against them. Our Company, Promoters, and Directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI and no penalty has been imposed at any time by any of the regulators in India or abroad. Further, except as above no regulatory action has been initiated / taken against our company, our Promoters or Directors by any regulatory bodies.

Material Development after the date of the Audited Financial Statements as on March 31, 2024

In the opinion of our Board, there have not arisen since the date of the audited financial statements, i.e., March 31, 2024, any circumstances that materially or adversely affect or are to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next twelve months.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to continue our business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. It must, however, be distinctly understood that in granting the approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

Following statements set out the details of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.

The Company has its business located at the following locations:

- **Registered Office:** 118, 1st Floor, 12 Gagandeep Building Rajendra Place, Central Delhi, New Delhi, Delhi, India, 110008.
- **Plants of our Company:**
 1. **Gujarat Plant:** 215/A/1 Vadnagar-Red laxmipura Road, Sultanapura, Vadnagar, Mehsana District, Gujarat, India, 384355.
 2. **Himachal Pradesh Plant:** Village Shubh Khera, Paonta Sahib, Himachal Pradesh, India, 173025.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

I. APPROVALS FOR THE ISSUE

Corporate Approvals

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. The Rights Issue of Equity Shares not exceeding upto 40 cr. (Forty Crores) was approved by our Board of Director in its meeting held on September 30, 2023.

ISIN Number

The Company's International Securities Identification Number ("ISIN") is INE552B01010.

Lender Consent

Our Company has received the consent letter from the following:

1. Our Company has received NOC from State Bank of India dated [●].
2. Our Company has received NOC from India Exim Bank dated [●].
3. Our Company has received NOC from Union Bank of India dated [●].
4. Our Company has received NOC from Bank of Baroda dated [●].

II. APPROVALS OBTAINED BY OUR COMPANY



S. No.	NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANT	VALIDITY
INCORPORATION RELATED APPROVALS					





S. No.	NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANT	VALIDITY
1.	Certificate of Incorporation in the name of "Himalaya Cement & Calcium Carbonate Limited"	55-47399	RoC, NCT of Delhi and Haryana	January 30, 1992	One Time Registration
2.	Certificate of Incorporation upon consequent change of name from "Himalaya Cement & Calcium Carbonate Limited" to "Himalya International Limited"	55-47399	RoC, NCT of Delhi and Haryana	April 19, 1994	One Time Registration
3.	Fresh Certificate of Incorporation upon consequent change of name from "Himalya International Limited" to "Himalaya Food International Limited"	L70102DL1992PLC047399	RoC – Delhi	February 09, 2018	One Time Registration
TAX RELATED APPROVALS					
4.	Permanent Account Number ("PAN")	AAACH0158H	Income Tax Department	January 30, 1992	One Time Registration
5.	Tax Deduction Account Number ("TAN")	AHMH03300D	Income Tax Department	-	One Time Registration
6.	Tax Deduction Account Number ("TAN")	DELH04557A	Income Tax Department	-	One Time Registration
GOODS AND SERVICES TAX REGISTRATION					
7.	Certificate of registration under Himachal Pradesh Goods and Services Tax Act, 2017	02AAACH0158H2Z5	Goods and Services Tax Authority and Government of India	Issued on – April 06, 2018 Valid from – September 24, 2017	One Time Registration
8.	Certificate of registration under Gujarat Goods and Services Tax Act, 2017.	24AAACH0158H1Z0	Department of Gujarat State Tax and Government of India	Issued on – April 13, 2018 Valid from – September 24, 2017	One Time Registration






S. No.	NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANT	VALIDITY
9.	Certificate of registration under Delhi Goods and Services Tax Act, 2017.	07AAACH0158H1ZW	Sales Tax Officer Class II/AVATO, Ward 7 and Government of India	Issued on – December 21, 2020 Valid from – July 01, 2017	One Time Registration
CERTIFICATE OF REGISTRATION UNDER SHOPS AND ESTABLISHMENTS ACT					
10.	Registration Certificate of Establishment under the Delhi Shops & Establishment Act, 1954	2024046859	Department of Labour, Government of National Capital Territory of Delhi	March 07, 2024	One Time Registration
BUSINESS RELATED APPROVALS					
11.	Udyam Registration Certificate	UDYAM-DL-01-0014145	MSME (Ministry of Micro, Small & Medium Enterprises)	Date of Registration – January 15, 2022	Valid till Cancelled
12.	Import Export Code (IEC)	0594017556	Office of the Additional Director General of Foreign Trade, Delhi, Ministry of Commerce and Industry, Government of India	Date of issue - October 03, 2023	One Time Registration
13.	Registration and Licence to work a Factory under Factories Act, 1948 for Himachal Pradesh Factory	L&E(FAC)9-20141523-1020	Chief Inspector of Factories, Himachal Pradesh	December 31, 1999	December 31, 2024
14.	Registration and Licence Factory under Factories Act, 1948 and Gujrat Factories Rules, 1963 for Gujarat Factory	856/15138/2012	Deputy Director Industrial Safety and Health Mehsana	January 06, 2012	December 31, 2026
15.	License under FSS Act, 2006 for Gujarat	10021021000658	Food Safety and Standards Authority of India, Government of India	January 04, 2022	April 19, 2027
LABOUR RELATED APPROVALS					

S. No.	NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANT	VALIDITY
16.	Employees Provident Fund Registration Certificate for Gujarat Plant	GJAHD0056025000	Employees' Provident Fund Organization	October 09, 2023	One Time registration
17.	Employees Provident Fund Registration Certificate for Himachal Pradesh Plant	HPSML0001631000	Employees' Provident Fund Organization	March 28, 2015	One Time registration
18.	Employees State Insurance Registration Certificate for Himachal Pradesh Plant	14000381390000009	-	-	One Time registration
ENVIRONMENT RELATED APPROVALS					
19.	*Consolidated Consent and Authorization by Gujarat Pollution Control Board	AWH- 117401	Gujarat Pollution Control Board	March 07, 2022	December 20, 2026
*All above-mentioned approvals are in the previous name of the Company i.e. Himalya International Limited. The Company is in the process of name change from Himalya International Limited to Himalaya Food International Limited for all the approvals.					

III. APPROVALS OBTAINED/APPLIED IN RELATION TO INTELLECTUAL PROPERTY RIGHTS:

Sr. No.	Word/ Label Mark	Application No.	Class	Registration/ Application Date	Status/ Validity
TRADEMARK RELATED APPROVALS					
1.	Himalaya Food Company 	3747464	43	February 07, 2018	Opposed
2.	HIMALYA FRESH 	1718178	29	August 05, 2008	Registered
3.	Himalaya Mushrooms	5086639	29	August 13, 2021	Opposed

Sr. No.	Word/ Label Mark	Application No.	Class	Registration/ Application Date	Status/ Validity
TRADEMARK RELATED APPROVALS					
					
4.	Chef Ernesto 	5215587	29	November 19, 2021	Opposed
5.	Bufalabe Lla	1663132	29	March 11, 2008	Registered
6.	Himalya Its Not Junk Food 	3655231	29	October 11, 2017	Opposed
7.	Guilt Free Golden Ice Creams Gf 	3490475	29	February 23, 2017	Registered
8.	Himalaya Food Company	3747465	29	February 07, 2018	Objected

Sr. No.	Word/ Label Mark	Application No.	Class	Registration/ Application Date	Status/ Validity
TRADEMARK RELATED APPROVALS					
					
9.	Himalaya Food Company 	3747466	35	February 07, 2018	Opposed
10.	Himalaya Fresh 	3979120	29	October 21, 2018	Opposed
11.	Himalaya Food International Ltd 	6299576	29	February 13, 2024	Objected
12.	Himalaya 	6299577	29	February 13, 2024	Objected

We have/are taking up the matter with the competent authorities where our applications for trademark have been opposed/objected/

IV. THE DETAILS OF DOMAIN NAME REGISTERED ON THE NAME OF THE COMPANY:

Sr. No.	Domain Name and ID	IANA ID	Creation Date	Expiry Date
1.	Registered Domain Name: https://himalayafoodcompany.com/ Registered Domain ID: 2189557486_DOMAIN_COM-VRSN	146	November 20, 2017	November 20, 2024

V. MATERIAL LICENSES / APPROVALS FOR WHICH OUR COMPANY HAS APPLIED FOR:

- Our Company has applied for the Certificate from the Food Safety and Standards Authority of India for the Paonta Unit in the state of Himachal Pradesh, through an application dated September, 9, 2024.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the issue

The Issue has been authorized by our Board by a resolution passed at its meeting held on September 30, 2023 pursuant to Section 62 (1) (a) & other applicable provision of the Companies Act, 2013.

The Issue Price of Rs. [●] per Rights Equity Share and its Rights Entitlement of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held on the Record Date, i.e. [●] has been determined by the Rights Issue Committee in its meeting held on [●].

Our Company has received in-principle approval from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant their letter dated [●]. Our Company will also make applications to BSE to obtain their listing and trading approvals for the Rights Entitlements as required under the SEBI ICDR Mater Circular.

Our Company has been allotted the ISIN INE552B01010 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” beginning on page 147.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, the members of our Promoter Group and our Directors have not been and are not prohibited or debarred from accessing or operating in the capital markets or restrained from buying, dealing in securities under any order or direction passed by SEBI.

None of the Directors is associated with the Securities Market in any manner except buying or selling of stocks in normal circumstances. There is no outstanding action initiated by SEBI against any Directors.

None of the companies with which our Promoter or our Directors are associated as promoter or directors have been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Company, Promoter or director has been identified as Wilful Defaulters by the RBI. Neither our Promoter nor our directors are declared as Fugitive Economic Offenders.

None of our Directors hold currently or have held directorship(s) in the last five years in a listed company whose shares have been or were suspended from trading on any Stock Exchange or in a listed company which has been/was delisted from any stock exchange.

We conform that there are no proceedings initiated by SEBI, Stock Exchange or ROC, etc. on our Company/Promoters/Directors/Group Companies.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI

ICDR Regulations, our Company has made applications to the BSE has received their in-principle approval through the letter dated [●]for issuance of the Rights Equity Shares pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the listing agreement or SEBI LODR Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations.

Caution

Our Company shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi, India.

DISCLAIMER CLAUSE OF SEBI

THIS DRAFT LETTER OF OFFER HAS NOT BEEN FILED WITH SEBI IN TERMS OF SEBI ICDR REGULATIONS AS THE SIZE OF ISSUE IS LESS THAN RS. 5,000.00 LAKHS, HOWEVER THE FINAL LETTER OF OFFER WILL BE FILED WITH SEBI FOR DISSEMINATION PURPOSE.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer clause of the Stock Exchange (i.e BSE)

As required, a copy of the Draft Letter of Offer has been submitted to BSE. The disclaimer clause to be intimated by BSE Ltd to us, post scrutiny of the Draft Letter of Offer, will be provided in the offer document.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED.

ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS.

Listing

The existing Equity Shares are listed on the BSE. The Equity Shares to be issued through the Letter of Offer are proposed to be listed on the BSE. We have received in-principle approval from the BSE vide its letter [●] dated [●] in respect of the Equity Shares being offered in terms of the Issue. The application for obtaining permission for listing and trading of the Equity Shares will be made to the BSE, the Designated Stock Exchange. If the permission to deal in and for an official quotation of the securities is not granted by BSE mentioned above, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Draft Letter of Offer. We will issue and dispatch Allotment advice / demat credit and/or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Consents

Consents in writing of our Promoters, Directors, the Registrar to the Issue, our Company Secretary and Compliance Officer, Legal Advisor to Issue, the Statutory Auditor, Banker to Issue to act in their respective capacities, have been obtained, and such consents have not been withdrawn up to the date of Letter of Offer.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 03, 2011 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI ICDR Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 07, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are also tracked online by our Company through the SCORES Mechanism.

Our Company has a Stakeholders Relationship Committee. The Committee meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to

transfer of shares and effective exercise of voting rights. Beetal Financial & Computer Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints are received by our Company on a case-to-case basis, i.e. grievances are being received on the Company's email address and are typically disposed of in a timely manner from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "Terms of the Issue" beginning on page 147. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

Beetal Financial & Computer Services Private Ltd,

Address: Beetal House, 3rd Floor, 99, Madangir, New Delhi, Delhi- 110062

Tel.: +91 011 – 29961281/83

E-mail: beetal@beetalfinancial.com

Investor Grievance ID: beetalrta@gmail.com, beetal@beetalfinancial.com

Website: www.beetalfinancial.com

Contact Person: Punit Mittal

SEBI Registration No. : INR000000262

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Ms. Komaljeet Kaur is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

Name: Ms, Komaljeet Kaur

Address: Himalaya Food International Limited

118, 1st Floor, 12 Gagandeep Building,

Rajendra Place, New Delhi, Delhi-110008

Tel.: + 91 1145108609/ 8894788610

E-mail: cs@himalyainternational.com

Other Confirmations

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.

SECTION-VII ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of Letter of Offer. Investors are advised to make an independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

OVERVIEW

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents/records confirming the legal and beneficial ownership of the securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE and the terms and conditions as stipulated in the Allotment Advice

Dispatch and availability of issue materials

In accordance with the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions . In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e- mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

Our Company at : www.himalayafoodcompany.com;
The Registrar at : www.beetalfinancial.com;
The Stock Exchange at : www.bseindia.com;

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.beetalfinancial.com.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.* www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.himalayafoodcompany.com).

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as may be required.

The distribution of the Issue Materials and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the BSE. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and Letter of Offer or any Issue Materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Issue Materials must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in

such person's jurisdiction and India, without requirement for our Company or our affiliates or their respective affiliates to make any filing or registration (other than in India).

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

a) Facilities for Application in this Issue:

ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

b) Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

The credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and

(ii) a demat suspense escrow account (namely, "[●] ISSUE SUSPENSE ESCROW DEMAT ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (f) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (g) non-institutional equity shareholders in the United States.

c) Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar (i.e. : www.beetalfinancial.com). Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish their relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) along with the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

d) Application for Additional Equity Shares:

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Basis of Allotment*".

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the Renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed

Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation/Off Market Renunciation.

e) *Other important links and helpline:*

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors www.beetalfinancial.com
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company i.e. Beetal Financial & Computer Services Private Limited: www.beetalfinancial.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable: www.beetalfinancial.com; and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders with Beetal Financial & Computer Services Private Limited: www.beetalfinancial.com

Renounees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated September 30, 2023 have authorised this Issue under Section 62(1)(a) of the Companies Act, 2013.

This Draft Letter of Offer is approved by our Board of Directors pursuant to its resolution dated October 07, 2024. The Board of Directors has in their meeting held on [●] approved the Letter of Offer. The Rights Issue Committee has in their meeting held on [●] determined the Issue Price at [●] per Equity Share (including a premium of [●] per Equity Share), the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid- up Equity Share(s) held on the Record Date. Our Company has received in-principle approvals from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to letters dated [●]. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements. The Issue Price is [●] per Equity Share and has been arrived at by our Company to determination of the Record Date.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form / in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company: www.himalayafoodcompany.com

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for

debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date in dematerialised form only. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10/-.

Issue Price

Each Rights Equity Share is being offered at a price of [●] per Rights Equity Share in the Issue. The Issue Price has been arrived at by our Company prior to the determination of the Record Date. The Rights Equity Shares issued in this Issue will be fully paid-up.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Terms of Payment

The entire amount of the Issue Price of [●] per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of

one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for Additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (one) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and Memorandum of Association and the Articles of Association provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

The Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the Issue Opening Date. On the Issue Closing Date, the Depositories will suspend the ISIN of Rights Entitlements for transfer and once the Allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN no. [●] for Rights Entitlements so obtained will be permanently deactivated from the Depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: **INE552B01010** on BSE (Scrip Code: **526899**). The Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the BSE. Our Company has received in-principle approvals from BSE through letters dated [●] and [●]. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalization of the Basis of Allotment. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading

in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the BSE. Upon receipt of such listing and trading approvals, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time prescribed under the SEBI ICDR Regulations. The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company shall within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, forthwith refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not refunded/unblocked within four days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of fourth day, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, please refer to "*Capital Structure - Intention and extent of participation by our Promoters and Promoter Group in the Issue*" beginning on page 37.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited/restricted by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 01, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

In case of Investors who have provided details of demat account, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of

multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Prior to making an Application, such Investors should enable the internet banking of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each Eligible Equity Shareholders Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and other Issue Materials would also be available on the website of the Registrar to the Issue at www.beetalfinancial.com and link of the same would also be available on the website of our Company at (www.himalayafoodcompany.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholders will have the option to:

- i. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- v. renounce its Rights Entitlements in full.

Procedure for Application through the ASBA process

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Applications on Plain Paper*".

Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for Additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the BSE. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*".

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares.

Applications by Overseas Corporate Bodies (OCB)

OCB cannot apply in a Right Issue as per RBI circulars. Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renounee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renounee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. The Eligible Equity Shareholders, who hold Equity Shares in physical form, as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/ lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

(a) On Market Renunciation

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements. The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on ‘T+1 rolling settlement basis, where ‘T’ refers to the date of trading or as prescribed by BSE. The transactions will be settled on trade-for-trade basis. Upon execution of

the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchange(s). An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Himalaya Food International Limited.
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the

officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;

- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialised form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for within the Rights Entitlements;
- Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- Total number of Rights Equity Shares applied for;
- Total Application amount paid at the rate of ₹ [●] per Rights Equity Share;
- Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB).
- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

"I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We hereby make representations, warranties and agreements set forth herein.

I/We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements set forth therein."

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.beetalfinancial.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that as per SEBI ICDR Regulations, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar to the Issue or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar to the Issue, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar to the issue containing the name(s), address, e- mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail [●] whose subject line should be "HIMALAYA FOOD INTERNATIONAL LIMITED RIGHT ISSUE DEMAT ACCOUNT UPDATION OF FOLIO (mention folio no.), post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM, AS APPLICABLE.

Last date for Application

The last date for submission of the duly filled in Application Form or a plain paper Application is [●] i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our

Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Right Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/letters of Allotment/Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI, or any other governmental authority in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application and send it to the Registrar. It will be the sole responsibility of the investors to ensure that the necessary approval from

the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms from the websites of the Registrar or our Company.

Note:

In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their e-mail addresses and upon its failure only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. This Draft Letter of Offer will be provided, only through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and BSE. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the

investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

General instructions for Investors

- a) Please read this Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- b) In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
- c) Please read the instructions on the Application Form sent to you.
- d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- e) Application should be made only through the ASBA facility.
- f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "**Applications on Plain Paper**".
- h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- i) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE.
- j) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
- k) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- l) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. The demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- m) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.

- n) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- o) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- p) All communication in connection with Application for the Rights Equity Shares, including any change in address, contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the Date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in address, contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective Depository Participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.
- q) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- r) It is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- s) In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Additional general instructions for Investors in relation to making of an Application

- a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- b) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "***Applications on Plain Paper***"
- c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar or shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.**
- d) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- e) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the

prescribed limits under the applicable law.

- f) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- g) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- h) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- i) Do not submit multiple Applications.
- j) No investment under the FDI route requiring government approval will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Do's for Investors applying through ASBA:

- a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account
- b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- f) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
- e) Do not submit Application Form using third party ASBA account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio

- number and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
 - c) Sending an Application to our Company, the Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
 - d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
 - e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
 - f) Account holder not signing the Application or declaration mentioned therein.
 - g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
 - h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
 - i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
 - j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
 - k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
 - l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
 - m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
 - n) Application Forms accompanied by outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
 - o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
 - p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions;
 - q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
 - r) Applications which have evidence of being executed or made in contravention of applicable securities laws. Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).
 - s) Applicants not having the requisite approvals to make application in the Issue.
 - t) IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE

- u) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.
- v) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- w) The Allotment Advice and the email intimating unblocking of ASBA Account would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBS for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.
- x) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications.

In cases where multiple Applications are submitted, including cases where an (a) Investor submits Application Forms along with a plain paper Application, or (b) multiple plain paper Applications, or (c) multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications that may be submitted by any of the Promoters or members of the Promoter Group as described in "*Capital Structure - Intention and extent of participation by our Promoters and Promoter Group in the Issue*" beginning on page 37).

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Issue Schedule

Last date for credit of rights entitlements	[●]
Issue opening date	[●]
Last date for on market renunciation of rights entitlements[#]	[●]
Issue closing date	[●]
Finalisation of basis of allotment (on or about)	[●]
Date of allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of BSE, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange, being BSE, and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, being BSE, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
- f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

- a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices/Refund Orders/Unblocking Of ASBA Accounts

Our Company will send/ dispatch Allotment Advice, refund intimations, if applicable or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at such rate as specified under applicable law from the expiry of such 15 days’ period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds/refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in unblocking / making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY

SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMATACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's Depository Participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

Investment by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC - SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45-IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs, VCFs and FDI route

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("SEBI AIF Regulations") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45-IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

Attention of the Investors is specifically drawn to the provisions of the Companies Act, 2013 which is reproduced below:

“Any person who–

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 lakhs or with both.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or before T+1 day (T being the date of finalisation of Basis of Allotment) In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

- a) All monies received out of this Issue shall be transferred to a separate bank account;
- b) Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- c) Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the

Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- a) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- b) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.
- c) The funds required for making refunds/unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- e) No further issue of securities shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of on-listing, under subscription, etc. other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
- f) In case of refund/unblocking of the Application Money for unsuccessful Investors or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- g) Adequate arrangements shall be made to collect all ASBA Applications.
- h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- i) As on the date, our Company does not have any convertible debt instruments.
- j) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
- k) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum Subscription

The Object of the Issue does not involve financing of capital expenditure and our Promoters have confirmed their intention to subscribe to the full extent of their aggregate rights entitlement in the Issue and not renounce their Rights Entitlements except to the extent of renunciation within the Promoter Group, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Investor Grievances, Communication and Important Links

The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "**Risk Factors**" beginning on page 16.

All enquiries in connection with this Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "[●]" on the envelope to the Registrar at the following address:

Beetal Financial & Computer Services Pvt. Ltd

Beetal House, 3rd Floor, 99, Madangir, New Delhi, Delhi, 110062,

Tel. : +011 - 29961281 / 29961282

Fax : +011 – 29961284

E-mail: beetal@beetalfinancial.com, beetalrta@gmail.com

Website: www.beetalfinancial.com

In accordance with SEBI ICDR Master Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.beetalfinancial.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 011 - 29961281 / 29961282

The Investors can visit following links for the below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.beetalfinancial.com;
- b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company www.beetalfinancial.com. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable www.beetalfinancial.com.

The Issue will remain open for a minimum seven days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

SECTION-VIII OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of following contracts (not being contracts entered into in the ordinary course of business carried on by our Company), which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10.00 a.m. to 5.00 p.m. on all working days from the date of the Draft Letter of Offer until the date of closure of the Rights Issue.

Material Contracts for the Issue

- i. Registrar Agreement dated October 05, 2024 entered into amongst our Company and the Registrar to the Issue.
- ii. Bankers to the Issue Agreement dated [●] among our Company, the Registrar to the Issue and the Bankers to the Issue;
- iii. Tripartite Agreement between our Company, NSDL and the Registrar to the Issue dated August 12, 2000;
- iv. Tripartite Agreement between our Company, CDSL and the Registrar to the Issue dated July 24, 2000.

Material Documents

- i. Certified copies of the updated Memorandum of Association and Articles of Association of our company as amended from time to time;
- ii. Certificate of incorporation and fresh certificate of incorporation pursuant to change of name of our company dated February 09, 2018
- iii. Copies of Annual Reports of our Company for the last three Financial Years for the Financial Year ending March 31, 2024, March 31, 2023, March 31, 2022, March 31, 2021 and March 31, 2020;
- iv. The Limited Reviewed Financial Results for the quarter ended June 30, 2024.
- v. Resolution of our Board of Directors dated September 30, 2023 approving the Issue;
- vi. Resolution of the Rights Issue Committee dated [●] finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
- vii. Board Resolution dated October 07, 2024 approving the Draft Letter of Offer;
- viii. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, Bankers to the Issue, Legal Advisor to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
- ix. Report on Statement of Special Tax Benefits dated June 10, 2024 for our Company from the Statutory Auditors of our Company;
- x. In-principle approval issued by BSE dated [●]

Any of the contracts or documents mentioned in the Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the draft letter of offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements and disclosures made in this draft letter of offer are true and correct.

On behalf of the Board of Directors of Himalaya Food International Limited

Sd/-

Mr. Man Mohan Malik
Managing Director

Sd/-

Mr. Bhushan Kumar Garg
Non- Executive, Independent Director

Sd/-

Mrs. Sangita Malik
Whole Time Director

Sd/-

Mr. Surendra Kumar Kaushik
Non- Executive, Independent Director

Sd/-

Mr. Sanjiv Kumar Kakkar
Executive Director

Sd/-

Mrs. Neelam Khanna
Non- Executive, Independent Director

Sd/-

Mr. Shamsher Ali
Chief Financial Officer

Sd/-

Ms. Komaljeet Kaur
Company Secretary & Compliance Officer

Place: New Delhi

Date: October 7, 2024