



Chairman's Letter

7th October, 2024

Dear Shareholders,

Greetings from Himalaya International!

In continuation of my communication sharing the facts & vision of our company; I am pleased to inform that the Q2 results are better than last quarter with operational income at Rs. 11.44 Cr. Nett Profit at Rs. 2.05 Cr increased by 100% from the last corresponding quarter & 132% from Q1 of current FY.

The H1 2024-25 operational income is at 2226 Lacs & Net Profit at 293.07 lacs compared to Rs 157 lacs in corresponding Half year of 2023-24.

We expect the major boost in operations visible from Q4 of this Financial Year with substantial enhancement with ongoing revival & increase in capacity utilisation in Mushrooms & Frozen business. We also expect full blown operations in next FY with total revival of Mushrooms to the 10,000 TPA capacity and completion of 50,000 TPA French Fry line by April 2025.

Now, I share with you the update on the major challenges, resource planning & the way forward to achieve the coveted milestones:

MAJOR CHALLENGES & RESOLUTION:

1. Debt repayment to Banks: Out of Rs 82.8 Cr OTS settled with banks, we had paid Rs 56 Cr & the balance amount left was Rs 27 Cr and interest payable on period of delay. The banks concluded the final amount of Rs 43 Cr to be additionally paid in the consortium meeting on 5th July 2024.

The Company has agreed to pay an additional amount of Rs 16 Cr to compensate the banks for the delays due to Covid & the devastating fire. The four banks approved the balance payment of Rs 43 Cr to be made by March 2025. An amount of Rs 2.85 Cr has been paid towards this in last quarter.

2. Operational Creditors: The over-dues are being Settled & paid to revive their support for the future operations at larger scale. During the quarter ending September 2024 we have further paid Rs 1.45 cr towards the overdue creditors.


Himalaya Food International Ltd.

CIN : L70102DL1992PLC047399 Formerly known as Himalaya International Ltd.

Contact@HimalayaFoodCompany.com

www.HimalayaFoodCompany.com

Registered Office :

118, 1st Floor, 12 Gagandeep Building
Rajendra Place New Delhi-110008
Tel.: +91-11-45108609

Shubhkhera, Paonta Sahib,
Himachal Pradesh - 173 025
Tel.: +91-1704-223494, Fax:225178

Plants

Vadnagar, Mehsana
Gujarat - 384 355
Telefax.: +91-2761-305030



3. Promoters induction of Funds: In continuation of commitment by the promoters to induct more funds, they added Rs. 5.73 cr in the last 2 quarters & total funds inducted till date stand at Rs. 15.74 cr. The same are proposed to be converted to equity under the proposed Rights issue.

Rights Issue: The draft of the right issue has been approved by the board and is being sent to BSE for pre-approval under the new guidelines for swift decisions.

Reconstruction: Implementation of 50,000 Tons per annum of French Fries & 12,000 TPA of frozen Appetizer plant is going on and is contemplated to be completed during current Financial Year. FF line layout has been completed and the foreign consultants from France & USA are going to be at plant from November for six months till the commencement.

4. Mushroom Revival: Upgrade to 10,000 TPA Mushroom plant & automation is under progress & we expect to totally revamp the plant in 3 phases by June 2025.

5. Resource planning: The land sale deal is under progress and shall be consummated as soon as Banks issue NOC's with formal extension of period till March 2025.

We are also getting offers for 7 Acres Paonta Sahib Himachal land and shall conclude the same after all the permissions:

6. Legal Issues: Payment of overdues & legal cases are in progress. The major legal issue of Simplot under Reciprocal Award by Singapore Arbitration is moving towards a satisfactory stage with our counterclaim of Rs 42 Crores for non-return of machinery and we expect a Setoff with their claim of Rs 32 Crores. We have also claimed damages of Rs 72 Cr for the non-return of machinery by the JV partner by 13th April 2020; as was ordered by the Singapore Tribunal.

We expect positive conclusion this year on most of the pending claims and release of export incentives & cold chain subsidy.

7. Five Year Visibility stays on the course shared with you earlier.

We thank you for the continued trust & positive support and faith in Himalaya's leadership during these tough times. You have kept us resilient and motivated.


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Thanking you for your trust & patience.

**ManMohan Malik
(Chairman & CEO)**

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