



May 30, 2023

To,
BSE Limited,
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400001

Scrip Code: 526899
Symbol: HFIL

Subject: Investor's information

Dear Sir/ Ma'am,

Please find enclosed the Chairman's letter for the purpose of Investor's information.

Thanking you,
Yours faithfully,
For Himalaya Food International Limited

Manpreet Kaur
Company Secretary & Compliance Officer
M.No.: ACS 70572


Himalaya Food International Ltd.

CIN : L70102DL1992PLC047399 Formerly known as Himalya 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



Dear Shareholders,

With courage & support extended by you & the consortium of Banks (SBI, UBI, BOB & EXIM), I feel contended to report that we have survived one of the biggest disasters in our history that happened last year in May 2022; when the whole of the Gujarat processing plant was gutted in Fire.

We are grateful for the cosmic blessing of courage & patience bestowed upon us 🙏
We are confident & determined to resurrect the Company within the current year & enter the new phase of exponential growth.

Without considering fire loss, for the financial year ending March, 2023 shows Increase in operational income by 6.65% (from 62.59 to 66.75 Cr) and Profit before tax increased by 23.31% (from 11.37 Crore to 14.03 Crore).

Our aspirations of steep growth Post Pandemic have been delayed due to the fire and consequent crunch of resources. However, despite the exasperating circumstances; instead of supplementing depleted working capital, we paid approx. Rs. 31 crore from internal cash accruals in OTS account to maintain the confidence of the Banks. We also had to and make some urgent capital expenditure so as to initiate partial production to meet some export orders.

The OTS by Consortium of Banks was settled at Rs 82.80 Cr out of which we have paid Rs 47.35 Crores till date. The banks have kindly recognised our pain & 'Force Majeure' events of Pandemic & Fire and have agreed to extend the repayment of balance amount of Rs 35.45 Crore by Dec 2023.

Moving forward, we have to meet some immediate challenges in current Financial Year:

- Pay the balance amount of OTS to Banks along with accrued interest for the delay period.
- Recoup the working capital to fulfil the current order book.
- Reconstruct the Fire gutted facility so as to commission the 54,000 TPA French Fries & 12,000 Tons of specialty products. These lines imported from France earlier has become the saviour of our Dreams to re-emerge as one of the leading Food Companies.

We target the production from the New Lines by March 2024 to leapfrog Himalaya into the long cherished Stellar Orbit. These Lines have the potential to generate Revenues of more than Rs. 700 Crores within 2 years of commencement.

The Resource Planning to meet the challenges above are tied-up as under:

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- a) Insurance Claim: - New India Assurance company released an interim amount of Rs 10 Crores last month besides the sale proceeds from salvage worth Rs 4 Cr. The final claim amount is expected to be Rs 15-20 Cr and is earmarked for balance OTS amount.
- b) Land Sale: - An agreement was made to sell 34 Acre Agriculture land in Rajasthan for Rs 28 Cr and the balance sale consideration of Rs 26 Cr is also earmarked for payment towards balance OTS amount and supplement Working Capital.
- c) Sale of other Assets: - we propose to sell some more non-core assets to pay other liabilities and to augment the cash flow for completion of French Fry plant.
- d) Induction of Strategic Partner: - We have appointed Dynamic Orbits Ltd. to facilitate induction of a strategic Partner to bring fresh cash & management resources at Board & Operational level.

We also have to inform you on the recent developments in ongoing dispute with erstwhile JV partner; Simplot of USA. :-

The reciprocal award was given by Singapore International Arbitration Centre in March 2020 obligating Simplot USA to return the Machinery within 21 days of the award and We had to pay USD 3.9 million with interest @ 5.25 % P.A. Since Machinery was not returned by Simplot; we had raised claims of Rs. 34 Crore for the machinery & Rs. 70 Crore for loss of working for two years. We also challenged the validity of arbitration on unstamped agreements.

Recently, the Constitution Bench of the Supreme Court of India, in its judgement in N.N. Global Mercantile Private Limited v Indo Unique Flame Ltd and Other (NN Global 2023) ruled that an unstamped instrument, which is exigible to stamp duty, containing an arbitration clause, cannot be said to be a contract enforceable in law within the meaning of the Indian Contract Act 1872 ("Contract Act") and is therefore not enforceable under Section 2(g) of the Contract Act.

We are advised by our Lawyers at Trilegal that this judgement has the effect of nullifying the Award as it's based on the unstamped agreement. Based on this judgement we think both sides claims will become null & void thereby ending the ongoing legal battle since 2013.

All the happenings & developments above lead us to positive manifestation of our dreams for Himalaya within the next 4-6 quarters.


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We thank you for your patience & trust in Himalaya and reassure you of our missionary zeal to outshine after all the debacles of last 10 years.

Thanking You,
Yours Faithfully,
For **Himalaya Food International Limited**


Man Mohan Malik


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