

22nd Annual Report
YEAR 2012-2013



HIMALYA INTERNATIONAL LIMITED

'Reduce - Recycle - Reuse' to minimize our carbon footprint. We love our Planet.

HIMALYA INTERNATIONAL LIMITED

BOARD OF DIRECTORS

MAN MOHAN MALIK

Chairman & Managing Director

SANJIV KAKKAR

Managing Director

SANGITA MALIK

Director

ANITA KAKKAR

Director

SUNIL KHERA

Independent Director

CHANDAR PRAKASH CHHABRA

Independent Director

AUDITORS

M/s Anujeet Dandona & Co.
Chartered Accountants

REGISTERED OFFICE

E-555, 2nd Floor,
Palam Extension, Sector-7,
Dwarka, New Delhi-77
Tel : 011-45108609
www.HimalyaInternational.com

MARKETING OFFICE

908, Tower B,
Global Business Park,
MG Road, Gurgaon - 122 002
Phone : 0124-4498150

CORPORATE IDENTIFICATION NUMBER (CIN)

L51909DL1992PL C047399

REGISTRAR &

SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99 Madangir,
BH-Local Shopping Complex,
Near Dada Harsukhdas Mandir,
New Delhi-110 062

BANKERS

State Bank of India, *Overseas Branch,*
New Delhi
Corporation Bank, *Connaught Circus*
Branch, New Delhi
Exim Bank, *Chandigarh*
Bank of Baroda, *Vad Nagar, Gujarat*

SHARES LISTED AT

Bombay Stock Exchange
526899 (Scrip Code)

HEAD OFFICE & WORKS

Village : Shubhkhera, Paonta Sahib
Distt. Sirmour (H.P.) 173 025
Tel.: 01704-223494
Fax: 01704-225178

PROJECT SITE

Survey No.: 215/A/1,
Vadnagar - Navapura - Redlaxmipura Road
Sultanpur - 384 355
Distt. Mehsana, Gujarat
Phone : 02761-305000



HIMALYA INTERNATIONAL LIMITED



Man Mohan Malik
Chairman & CEO

jinni@himalyainternational.com

September 4th, 2013
Subject: State of Affairs

My Dear Stock Holder
Greetings from Himalya International!
Thank you for this opportunity to communicate with you.

The overall business confidence in India is at the lowest in recent times as is reflected in the steep decline in our GDP growth and the currency.
I would just say that it's the darkest just before the Sunrise.
I personally feel & share your pain of steep climb down of our stock price.
Through this communication I wish to dispel any doubts on the capability of your Company to sustain its growth and steer through the tough times.

The overview of the "State of the Affairs" of your company is given below:

1) The JV with Simplot has not worked out and Your company has suffered a lot due to non performance by the JV. Due to the exclusivity clause under the JV agreement we could not market our products ourselves and the JV worked at its own pathetic pace due to which our frozen appetizer units have shown dismal performance. We have finally decided to free ourselves from the obligation of exclusivity and have started marketing our products on our own. We have on board the Professional Marketing team housed at our office in Gurgaon NCR. The new Marketing Team has already secured and tied various new businesses including Subway, Mother Dairy, Godrej Tyson and Reliance Retail.

2) We suffered a setback due to the total loss of our frozen products stocks in US warehouse recently. The Warehouse where we had stored our inventory in New Jersey was totally gutted by the devastating fire on last Sunday. The loss is being estimated and our US team is working out the process of filing claims for recovery of the loss. Meanwhile, we have planned to rush fresh stocks to meet the customer demand during the festival & holiday season ahead.

3) We sold part of our potato processing lines last year and reduced our term debt on the assets by Rs 30 Crores. Your Company is investing in setting up another Vegetables and potato processing line at Vadnagar in Gujarat at its existing site. The Promoters & Associates are subscribing to fresh, preferential warrants/equity at Rs 12.20 per share to raise the resources for the new processing line.

4) Your Company has met all its financial obligations towards the Lenders & Institutions by generating cash from its Mushroom, Dairy & Sweets operations.

5) The silver line is appearing in the US market and our exports are slated to increase by more than 100% in the current financial year. The steep decline in Rupee has opened up the possibilities of exporting various new food products.

6) There is reported to be a steep appreciation in the price of the land owned by your company near Delhi in Rajasthan at NH 8. We propose to unlock the value of this real estate to augment the cash resources of the Company.

You have the absolute right over your investment and I am sure that you shall take the most prudent decision in your best interest.

I believe that the current stock price is way below the intrinsic value and the true, real potential of your investment is yet to unfold.

I firmly believe that "Tough Times Don't last but Tough People Do" and want to assure you that your Company is tough and is on the right track.

Sincerely
&
With Best Wishes


Chairman & Managing Director
Plant I
Shubhkhera, Paonta Sahib (HP) 173025
jinni@himalyainternational.com

Plant II
Vadnagar, Gujarat 384355
vpg@himalyainternational.com

Corporate Office
908, 3rd Floor, Global Business Park, MG Road, Gurgaon 122002
msd@himalyainternational.com



NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of the Company will be held on Monday, 30th Day of September 2013, at 4.00 P.M at Swagat, DDA Community Hall, Sector-7, Near Ramphal Chowk, Dwarka, New Delhi-110077 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Anita Kakkar, who retires by rotation and being eligible, offers herself for re-appointment.
3. To Consider and if Thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Anujeet Dandona & Company, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration as may be decided by the Board of Directors of the Company."

Special Business:

- 1) To consider, and if thought fit, to pass with or without modification, if any the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (SEBI, ICDR Regulations, 2009), the guidelines for preferential issue contained in SEBI (Disclosure & Investor Protection) Guidelines, 2000 (as amended from time to time) or as in force and subject to other applicable rules, regulations and guidelines of Securities and exchange Board of India (SEBI) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into between the Company and the Stock Exchanges, where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions if any, of SEBI, the Stock Exchanges and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder), consent of the members of the Company be and is hereby accorded to the Board of Directors of the company to create, offer, issue and allot, from time to time, in one or more trenches, up to 1,25,00,000 Fully Convertible Warrants on a preferential basis to M/s Trydin America LDC, USA, entitling the holder of each Warrant, from time to time, to apply for and obtain allotment of one equity share of the face value of Rs. 10/- each against such Warrant (hereinafter referred to as the "Warrants"), in one or more trenches, at a price of Rs. 12.20/- which includes a premium of Rs. 2.20/- per share which is not less than the price calculated in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 for preferential allotment of Equity Shares /Warrants and on such terms and conditions as may be decided and deemed appropriate by the board at the time of issue or allotment.

"RESOLVED FURTHER THAT the "relevant date" in relation to the issue of Warrants in accordance with the SEBI (ICDR) Regulations, 2009, would be September 4, 2013, being the date of Board Meeting prior to the date of passing of this resolution at Annual General Meeting."



"RESOLVED FURTHER THAT the issue of warrants, if any, as above, shall be subject to the following terms and conditions:

1. The Warrants shall be convertible into Equity Shares (at the sole option of the warrant holder(s)) at any time in one or more tranches within a maximum period of 18 months from the date of allotment of warrants.
2. Each Warrant shall be convertible into one equity share of nominal value of Rs. 10/- each at a price of Rs. 12.20 /- including a premium of Rs. 2.20/- per share, which is not less than the price calculated in accordance with the SEBI (ICDR) Regulations, 2009 for preferential allotment of equity shares / warrants.
3. The warrant holder shall, on or before the date of allotment of warrants shall deposit an amount equivalent to 25% of the total consideration per warrant.
4. The warrant holder(s) shall, on the date of allotment of equity shares or prior to it, pursuant to the exercise of option against each such warrant within 18 months, deposit the balance 75% of the consideration.
5. The amount referred to in (3) above shall be non interest bearing and shall be forfeited, if the option to acquire shares is not exercised within a period of 18 months from the date of allotment of the warrants.
6. The number of warrants and the price per warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI (ICDR) Regulations, 2009, for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring. The lock in of shares acquired by exercise of warrants shall be for a period of Three years.
7. Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

"RESOLVED FURTHER THAT the preferential allotment of the Securities is made to the M/s Trydin America LDC, USA.

Name of the Proposed Allottee	Category (Promoter / Non - Promoter	Category (Promoter / Non-Promoter	Permanent Account Number (PAN)	No. of securities to be allotted	Allottee is : *QIB/MF/FI I/FI/Banks/ Trust
Trydin America LDC, USA	Non-Promoter	210 Carnegie Center, Princeton, NJ, 08540 USA	NRI	1,25,00,000	FI
		TOTAL		1,25,00,000	

RESOLVED FURTHER that the new equity shares to be allotted on conversion of warrants referred to herein above shall be subject to the Memorandum & Articles of Association of the Company and shall rank pari-passu in all respects including the entitlement to pro-rata dividend which may be declared or paid there on from the date of allotment for the financial year which the same are allotted.

RESOLVED FURTHER that for the purpose of giving effect to the above resolutions, the Board of Directors of the Company shall take all decisions as may necessary in connection with any such issues, offer and allotment and equity shares on conversion of warrants and utilization of issue proceeds, as it may, in its absolute discretion deem fit and any such action, decision of the Board shall be binding on all members of the Company."

NOTES:

1. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item no. 5 setout above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



3. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting, along with the Annual Report.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September 2013 to 30th September 2013, both days inclusive.
5. Members who hold shares in dematerialized form are requested to bring their Client ID (Demat A/C No.) and DP ID numbers for easy identification of attendance at the meeting.
6. Members are requested to notify the change in their address, if any.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 11a.m. and 1.00 p.m. up to the date of this Annual General Meeting.
8. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
9. Members are requested to note that all correspondence relating to share transfer should be addressed to its Registrars and Transfer Agents,

M/s.Beetal Computer & Financial Services Pvt. Ltd.,
Beetal House, 3rd Floor, 99, Madangir,
BH - Local Shopping Centre,
New Delhi - 110 062.

By order of the Board of Directors
For HIMALYA INTERNATIONAL LTD.

Place: Paonta Sahib
Date: 04.09.2013

Anjali Tomar
Company Secretary



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM 1

Object of the issue:-

- (a) In order to raise matching equity for the on-going expansion programmed / new project, to enhance companies marketing edge, to built product as brand product domestic as well as internationally , to build product and to undertake diversified development activities , it is incumbent to raise fresh capital in the near future . Your Board of Directors has, therefore, decided to issue warrants up to 12.50 Millions to M/s Trydin America LDC, USA. The warrants would be allotted in accordance with the provisions of SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009.

Relevant Date and price:-

- (b) The relevant date for the purpose of pricing of the issue of shares resulting for the warrants in accordance with ICDR regulation is the date, on which the board authorizes the preferential allotment, the day of board resolution i.e 04th September, 2013. The Directors recommended issuing it at a price of Rs. 12.20/- (including premium of Rs. 2.20/-) each warrants.

Proposed time limit within which the allotment shall be completed:

- (c) Within 15 days from the date of passing of the resolution at the AGM of the shareholders or within 15 days from the date of receipt of statutory approval

Intension of promoter:

- (d) The offer, issue and allotment of the aforesaid warrants shall be made as such time or time as the Board may in its absolute discretion decides.
- (e) older(s) shall, on or before the date of allotment, pay an amount equivalent to 25% of the total consideration of the Warrants.
- (f) The warrant holder(s) shall on the date of exercise of the conversion option pay the balance 75% of the total conversion toward the subscription to each equity shares.
- (g) The currency of warrants shall not exceed 18 month from the date of their issue.
- (h) The warrants shall be locked in for a period as per guidelines of SEBI/ICDR Regulation provided that the lock-in on equity shares acquired by conversion of warrants shall be reduced to the extent the warrants have been locked in.
- (i) The numbers of warrant and the price per warrant shall be appropriately adjusted, subject to the companies Act 1956 applicable Guidelines, for corporate actions such as bonus issue, right issue, stock split merger demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring, if any in future.
- (j) The equity share as may be required to be issue and allotted upon conversion of warrants shall be subject to the Memorandum and Articles of Association of the company. The shares will be allotted in demat form only.
- (k) the Board be and is hereby authorized to delegate all or any of the powers here in conferred by this resolution to any director or directors or to any committee of directors of the company to give effect to the aforesaid resolution.
- (l) To give effect to this, the board be and is here by authorized to do all such acts., deeds and things as the Board may, in its absolute discretion consider necessary, expedient, usual, proper or incidental including without limitation, appointment of consultants, solicitors, Merchant bankers, or any other agencies as may be necessary, and to seek listing of the equity shares representing the same in any Indian Stock Exchanges with power in behalf of the company to settled any question, remove any difficulty of doubt that may arise from time to time in relation to the offer, issue and allotment of the Warrants and Shares arising on exercise of the option relation to the Warrants and to take such actions or give such directions as may be necessary of desirable and to obtain any approvals, permission, sanctions which may be necessary or desirable, as they may deem fit.

Brief resume of director re-election/ reappointment are as under:

Anita Kakkar	She is promoter director of the company, she is 49 years old, She is MBA from The USA University, Worked in US corporations for more than a decade, Social activities --- 1. Volunteer at Recording for Blind and Dyslexic Institute 2. Volunteer at The Rehabilitation Center
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**DIRECTORS' REPORT**

Dear Shareholders,

We are pleased to present the Twenty First Annual Report of your Company together with Audited Financial Statements and Auditor's Report for the Financial Year ended as on 31st March 2013. The Financial Highlights for the year under review are given below:

Financial Results		(Rs. in Lacs)
Particulars	2012-13	2011-12
Total Income	20609.98	11049.77
Profit before Interest, Depreciation & Tax	8023.60	3192.66
Interest	1641.62	773.01
Depreciation	878.24	429.05
Profit before Tax	5503.74	1990.60

Performance

During the year under review, the total income of your Company was Rs. 20609.98 Lacs (including extra ordinary inflow Rs. 3415.32 lacs) as compared to Rs. 11049.77 Lacs in the previous year thereby registered a growth (excluding the extra ordinary item) of 55.61%. The net profit before tax of the company for the current financial year after excluding profit on extra ordinary inflow Rs. 2088.42 Lacs as compared to Rs. 1990.60 Lacs in the previous year. There is a rise of 4.91% in operational profits as compared to the last financial year.

Dividend

In view of our new project, there is an increased pressure on the cash flow. Also' due to additional borrowings made for implementing the capital projects under expansion, there is an increase in the commitments towards repayment to the lending banks. As such, Board of Director feels appropriate not to recommend any dividend for the financial year 2012-13.

Business Operations Overview & Future Outlook

Company's business activities are broadly divided into mushroom, Cheese, sweets and appetizer manufacturing and exports.

Fixed Deposits

The Company has not accepted any deposits during the financial year under review.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

- that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2013, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the Annual Accounts for the Financial Year ended 31st March, 2013 on a 'going concern' basis.



iii) that the Directors have prepared the Annual Accounts for the Financial Year ended 31st March, 2012 on a 'going concern' basis.

Particulars of Energy, Technology and Foreign exchange

A- Energy conservation – The Company makes continuous efforts to explore new technologies techniques to make the infrastructure more energy efficient.

Moreover, the operations of the Company are not energy intensive. Company has changed its And oil fired boilers to agro waste reducing the carbon foot print.

B-Technology absorption –

Company uses Indian technical manpower to

Operate Indian and imported infrastructure.

Foreign exchange earnings and out go:

Particulars	Amount (Rs.in '000)
Exports	244854
Expenditure in foreign exchange	62318

Personnel and Particulars of Employees

The industrial relations with the workers and staff of the company remained cordial throughout the year. There was unity of purpose among all levels of employees, continuously striving for improvement in work practices and productivity. Training and development of employees continue to be an area of prime importance. Pursuant to Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975, as amended a statement containing list of employees and drawing remuneration exceeding Rs. 24.00 Lacs annum or Rs. 2.00 Lacs per month is given herein below.

S.No.	Name	Designation	Remuneration received (Rs, in lacs)	Qualification	Exp	Age	Date of Commencement	Particulars of Last Employment
1.	Mr. Man Mohan Malik	Chairman & Managing Director	102.00	B.Sc. (Hons) LLB	40 Years	61	1992	Industrialist



Auditors

M/s Anujeet Dandona & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting, being eligible offer them for re-appointment. The Company has received a certificate from them that their re-appointment if made would be within prescribed limits under Section 224(1B) of the Companies Act, 1956.

Auditors' Report

The Auditors Observations and relevant Notes on Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further explanation u/s 217(3) of the Companies Act' 1956.

Listing of Shares

The Equity Shares of the Company continued to be listed at the Bombay Stock Exchange.

Management Discussion and Analysis

A detailed chapter on "Management Discussion & Analysis" (MDA) pursuant to Clause 49 of the Listing Agreement is annexed to the Annual Report and forms integral part of Directors' Report.

Corporate Governance Report

We strive to attain high standards of corporate governance while interacting with all our stakeholders. The Company has duly complied with revised Clause 49 - Corporate Governance Code as stipulated in the listing agreement with Stock Exchanges. A separate section on Corporate Governance along with Certificate from M/s. Anujeet Dandona & Co., Chartered Accountants, confirming level of Compliance is annexed and forms part of the Directors' Report.

Acknowledgement

Your Directors greatly appreciate the dedication and commitment of employees at all levels who have contributed towards the effective functioning of the Company. We also wish to convey gratitude to company's Bankers, Financial Institutions, Government Authorities, Clients, Vendors, and Investors for their support and encouragement during the year and look forward for their continued support in the future.

For and on Behalf of the Board

Place: Paonta Sahib

Dated: 04.09.2013

(Anjali Tomar)
Company Secretary

MANAGEMENT DISCUSSIONS AND ANALYSIS

Industry Structure and Developments

Company Business

The Company's primary business is manufacture of Mushroom, vegetables, Cheese, Yogurt, Appetizers, snacks, sweets and French fries and trading of daily one tablet etc.

Discussions on Financial Performance With Respect to Operational Performance

During the year under review, the total income of your Company was Rs. 20609.98 Lacs (Including extra ordinary inflow Rs. 3415.32 lacs) as compared to Rs. 11049.77 Lacs in the previous year thereby registered a growth (excluding the extra ordinary item) of 55.61%. The net profit before tax of the company for the current financial year after excluding profit on extra ordinary inflow Rs. 2088.42 Lacs as compared to Rs. 1990.60 Lacs in the previous year. There is a rise of 4.91% in operational profits as compared to the last financial year.