

# Himalya

INTERNATIONAL LIMITED

23rd  
Annual  
Report  
YEAR  
2014-2015



SWEETS



APPETIZERS



CANNED MUSHROOM

*& many more products ...*

# 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](http://www.HimalyaInternational.com)

## **MARKETING OFFICE**

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

## **CORPORATE IDENTIFICATION NUMBER (CIN)**

L51909DL1992PLC047399

## **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



2nd September

My Dear Share Holders  
Greetings from Himalya International!

Thanks for this opportunity to communicate with you.  
Your Company has struggled hard since the formation of JV in Oct 2011 under which we merged all our resources created over a long period of time including the Contract farming, Marketing & Listing on Retail chains and production from all Frozen Appetiser Lines exclusively for the JV.

The JV managed by the US Partner Simplot went defunct and has inflicted huge losses directly & indirectly on the overall business of Himalya. The entire equity invested in the JV is wiped out. Besides, the stocks made on projections of the JV expired and have been destroyed and there are many other dues unpaid by Simplot USA.

Your Company has taken the following steps to get back on track and achieve the Pre-JV, high growth trajectory asap:

- 1) We have approached our Banks to restructure our debts and the consulting company Dun & Bradstreet has submitted the restructure proposal which is under finalisation by the Lenders.
- 2) We have planned to restart our own marketing setup for frozen Snacks & Appetisers in Food Service & Retail segment.
- 3) Promoters are in process to invest additional equity to strengthen the working capital.
- 4) We are taking steps for additional exports to new markets chiefly SAARC & Middle East.
- 5) We are taking all steps to legally recover losses due to unfair & monopolistic actions of the JV & Simplot India LLC.
- 6) We have also taken steps to recover losses from last year Fire in US warehouse.

Our eyes stay focussed on our Vision 2020 to be one of the best food processing companies in India. We firmly believe that inspite of huge setbacks in last three years, we shall stabilise soon and will be thriving back in the high growth track.

Sincerely  
&

With Best Wishes  
For Himalya International Ltd  
Man Mohan Malik  
Chairman



## HIMALYA INTERNATIONAL LIMITED



### Notice

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of the Company will be held on Tuesday, the 30th Day of September 2014, at 2:00 at Swagat, DDA Community Hall, Sector – 7, Near Ramphal Chowk, Dwarka, New Delhi - 110077 to transact the following ordinary business: -

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, 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 Shri Sanjiv Kumar Kakkar (DIN: 02434426), who retires by rotation and being eligible, offers himself 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 pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof, M/s Anujeet Dandona & Company, Chartered Accountants (Firm Registration No. 006118C) be and are hereby re-appointed as Auditors of the Company for a period of 3 years and to hold the office from the conclusion of this Annual General Meeting until the conclusion of the 26<sup>th</sup> Annual General at remuneration as may be decided by the Board of Directors of the Company.”

#### **SPECIAL BUSINESS:**

#### **4. Appointment of Mr. Sunil Kumar Khera (DIN 00263581) as an Independent Director**

To consider and if thought fit to pass, with or without modifications, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to provision of section 149, 150, 152 and any other provisions of the Companies Act, 2013 and the rules made thereunder (including statutory modification (s) or re-enactment thereof for the time being in force) read with the schedule IV to companies Act, 2013 Mr. Sunil Kumar Khera , Dierctor of the Company whose period of office is liable to determine by retirement of directors by rotation and in respect of whom, the Company has received a notice in writing from a member under section 160 of the companies act, 2013 proposing Mr. Sunil Kumar Khera as a candidate for the office of Director, be and is hereby appointed as Independent Director of the Company under section 149 of the Companies Act, 2013, not subject to retirement by rotation, to hold the office for five consecutive years up to September 30, 2019

By order of the Board of Directors

Himalya International Limited

Place: Paonta Sahib  
Date: 30.07.2014

Man Mohan Malik  
(Chairman & Managing Director)  
DIN No. 00696077



## HIMALYA INTERNATIONAL LIMITED



### NOTES:

1. 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.
2. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting, along with the Annual Report.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September 2014 to 30th September 2014, both days inclusive.
4. Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting. Members are requested to notify their email ID.
5. Members are requested to notify the change in their addresses and bank account details, if any.
6. 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 11 a.m. and 1.00 p.m. up to the date of this Annual General Meeting.
7. 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.
8. Members are requested to note that all correspondence relating to share transfer should be addressed to the Company's Share Transfer Agents. Members are requested to notify their email addresses to the company's Share Transfer Agents. Ms. Beetal Computer & Financial Services Pvt. Ltd, Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, BH\_Local Shopping Centre, New Delhi-110062
9. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21 and 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically.

**Note:** It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and will allow shareholders to contribute towards a Greener Environment. Further, it will ensure instant and definite receipt of the all notices/documents by you.

Recognizing the spirit of the circular issued by MCA, we propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, and Auditors' Report etc. in electronic form, to the email address provided by you and made available to us by the Depositories.

Following the government directive, the full text of these reports will also be made available in an easily navigable format on the website of the Company, [www.euroasiaexports.in](http://www.euroasiaexports.in). We will notify the date of the AGM and the availability of documents on the website in the prominent newspaper both English and vernacular. As before, physical copies of the Annual Report will be available at our registered office for inspection during office hours.

In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

### In case of members receiving e-mail:

(i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

(ii) Click on "Shareholders" tab.

(iii) Now, select the "Himalya International Limited" from the drop down menu and click on "SUBMIT"

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio . <ul style="list-style-type: none"><li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li></ul>





## HIMALYA INTERNATIONAL LIMITED



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <Himalya International> on which you choose to vote.
- (v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (x) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
  - Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [cs.arorachandan@gmail.com](mailto:cs.arorachandan@gmail.com), with a copy marked to [evoting@cdsl.co.in](mailto:evoting@cdsl.co.in).

### In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Monday, September 22, 2014 (10.00 a.m. IST)> and ends on <Wednesday 24, 2014 (6.00 p.m. IST)>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Friday, August 22<sup>nd</sup>, 2014>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Mr. Chandan Arora, Practicing Company Secretary (ACS 32676), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The results declared along with the Scrutinizer's Report shall be placed on the website of CDSL i.e. [www.evoting.cdsl.com](http://www.evoting.cdsl.com) within two days of the passing of the resolutions at the 23<sup>rd</sup> AGM of the Company on September 30, 2014 and communicated to the BSE Limited, where the shares of the Company are listed.

All Shareholders are requested to be a part of this green initiative of Government of India by registering their e-mail address for enabling the Company to send the communication including Annual Report to shareholders by e-mail.

### BEETAL Financial & Computer Services Pvt Ltd.

BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi - 110062 Ph. 011-29961281-283 Fax 011-29961284

Email: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)

### EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 4

Mr. Sunil Kumar Khera is a Non – Executive Director of the Company. He joined the Board of Directors of the Company in October, 2004. Mr. Sunil Kumar Khera is the member of Audit Committee and Remuneration Committee of the Company.

Mr. Sunil Kumar Khera, Director of the Company whose period of office is liable to determine by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In term of section 149 and other applicable provision of the Companies Act, 2013, Mr. Sunil Kumar Khera being eligible and offering himself for the appointment as an Independent Director for the five consecutive years for the term up to September 30, 2019. A notice has been received in writing under section 160 of the companies act, 2013 from a member proposing Mr. Sunil Kumar Khera as a candidate for the office of Director of the Company.

Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Independent Director. According, the Board recommends the resolution in the relation to appointment of Mr. Sunil Kumar Khera as Independent Director, for the approval by the Shareholders of the Company.

Except Mr. Sunil Kumar Khera, being an appointee, none of the Director and Key Managerial Personnel of the Company, and their relatives is concerned or interested, financial or otherwise, in the resolution set out as Item No. 4. This Explanatory statement may also be regarded as disclosure under clause 49 of the Listing Agreement.

By order of the Board of Directors  
Himalya International Limited

Man Mohan Malik  
(Chairman & Managing Director)  
DIN No. 00696077

Place: Paonta Sahib

Date: 30.07.2014



## HIMALYA INTERNATIONAL LIMITED



### DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present the Twenty Third Annual Report of the Company together with Audited Financial Statements and Auditor's Report for the Financial Year ended as on 31<sup>st</sup> March 2014. The Financial Highlights for the year under review are given below:

Particulars	2013-14	2012-13
Total Income from Operation	18999.01	16803.68
Profit from operation before other income, Finance cost, & exceptional items	1654.01	3339.06
Other Income	0.00	3806.30
Profit from ordinary activities before Finance cost, and exceptional items	1654.01	7145.36
Finance Cost	1605.14	1641.62
Profit from ordinary activities after Finance cost, but before exceptional items	48.87	5503.74
Exceptional Items (Provision for diminution in value of investment in joint venture)	1149.36	187.34
Profit/(Loss) from ordinary activities before tax	(1,100.49)	5316.40

**Performance:** During the year under review, the total income of your Company was Rs. 18999.01 Lacs as compared to Rs. 16803.68 Lacs in the previous year thereby registered a growth of 13%. The net Loss before tax of the company for the current financial year is of Rs. 1100.49 Lacs as compared to profit of Rs. 5316.40 Lacs in the previous year.

**Reasons for loss:**

1. Company is a partner in the joint venture, Himalya Simplot Private Limited, holding 50 per cent of its shareholding. The joint venture has ceased operations and is insolvent in view of its losses. As a matter of abundant prudence and following a conservative approach, the Management is of the opinion that a provision equal to the value of investment be made for diminution in the value of the investment. (Provision for diminution in value of investment in joint venture Rs. 1149.36 lacs).
2. Finished goods manufactured in the financial years ended 31 March 2012 and 2013, valued at Rs. 1576.66 lacs (2314.888 MT), were produced specifically for Himalya Simplot Private Limited, a joint venture of the Company with Simplot Inc. However, such stocks were not purchased by the joint venture. The management has sought expert opinion and determined that the shelf life of these products in JV packing, has expired. Since the stocks have no realisable value, the Company has written off the value of such stocks as on 31.03.2014. The expired stock, available in company's warehouse, but has not been taken in the books as on 31.03.2014, was physically destroyed in the months of June/July 2014.
3. Company has suffered huge losses due to zero production from its Appetizer line at both plants due to certain clauses in JV agreements and zero performance by JV under the Managing Partner SIMPLOT INDIA LLC.

**Dividend:** Due to loss during the year Board of Director feels appropriate not to recommend any dividend for the financial year 2013-14.

**Business Operations Overview & Future Outlook:** Company's business activities are broadly divided into Growing of mushrooms (agriculture Activity), Cheese, sweets and appetizer manufacturing and export

**The companies Act, 2013:** The Ministry of Corporate Affairs has notified various sections of the Companies Act, 2013 in tranches in September 2013 and March 2014 with the majority of the sections as well as rules notified in March, 2014. The Companies Act, 1956 continues to be in force to the extent of the corresponding provisions of the Companies Act, 2013 which are yet to be notified. MCA vide its circular dated April 4, 2014 has clarified that the Financial Statements and documents annexed thereto, Auditor's Report and Board's Report in respect of the financial year that have commenced earlier than April 1, 2014 shall be governed by the provisions of the Companies Act, 1956 and in line with the same, the Company's Financial Statements, Auditor's Report and Board's Report and attachments thereto have been prepared in accordance with the provisions of Companies Act, 1956. With respect to the other provisions of the act, appropriate references have been made in this report to the extent these provisions have become applicable effective April 1, 2014

**Fixed Deposits:** The Company has not accepted any deposits during the financial year under review.

**Directors:** In accordance with the relevant provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sanjiv Kumar Kakkar (DIN 02434426) shall retire in the Annual General Meeting and being eligible, offers himself for the re-appointment.

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

- i) That in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2014, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) 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;



## HIMALYA INTERNATIONAL LIMITED



- iii) 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
- iv) That the Directors have prepared the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2014 on a 'going concern' basis.

### Particulars of Energy, Technology and Foreign exchange

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

The operations of the Company are not energy intensive. Company use agro waste to fire boilers.

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)
Earnings in foreign Exchange	362187
Expenditure in foreign exchange	304464

### 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 and Managing Director	102.00	BSC (Hons) LLB	40 years	62	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 u/s section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014,.

**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. The Company is complying with the guidelines for listing of shares at National 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: 30.07.2014

(Man Mohan Malik)  
Chairman & Managing Director  
DIN No. 00696077





## HIMALYA INTERNATIONAL LIMITED



### MANAGEMENT DISCUSSIONS AND ANALYSIS

#### Industry Structure and Developments

**Company Business :** The Company's primary business is manufacture of Growing of Mushroom (agriculture Activity), 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. 18999.01 Lacs as compared to Rs. 16803.68 Lacs in the previous year thereby registered a growth of 13%. The net Loss before tax of the company for the current financial year is of Rs. 1100.49 Lacs as compared to profit of Rs. 5316.40 Lacs in the previous year.

#### **Reasons for loss:**

1. Company is a partner in the joint venture, Himalya Simplot Private Limited, holding 50 per cent of its shareholding. The joint venture has ceased operations and is insolvent in view of its losses. As a matter of abundant prudence and following a conservative approach, the Management is of the opinion that a provision equal to the value of investment be made for diminution in the value of the investment. (Provision for diminution in value of investment in joint venture Rs. 1149.36 lacs).
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3. Company has suffered huge losses due to zero production from its Appetizer line at both plants due to certain clauses in JV agreements and zero performance by JV under the Managing Partner SIMPLOT INDIA LLC.

**Human Resources :** During the year 2013-14 your company's Human Resources are as under

Category	As on 31.03.2014	As on 31.03.2013
Skilled employees	380	480
Non-Skilled Employees	860	1035
Total	1240	1515

**Outlook :** Company has struggled hard time since the formation of JV in Oct 2011 under which we merged all our resources created over a long period of including the Contract farming, Marketing & Listing on Retail chains and production from all Frozen Appetiser Lines exclusively for the JV. The JV managed by the US Partner Simplot went defunct and has inflicted huge losses directly & indirectly on the overall business of Himalya. The entire equity invested in the JV is wiped out. Besides, the stocks made on projections of the JV expired and have been destroyed and there are many other dues unpaid by Simplot USA.

Your Company has taken the following steps to get back on track and achieve the Pre-JV, high growth trajectory asap:

- 1) We have approached our Banks to restructure our debts and the consulting company Dun & Bradstreet has submitted the restructure proposal which is under finalisation by the Lenders.
- 2) We have planned to restart our own marketing setup for frozen Snacks & Appetisers in Food Service & Retail segment.
- 3) Promoters are in process to invest additional equity to strengthen the working capital.
- 4) We are taking steps for additional exports to new markets chiefly SAARC & Middle East.
- 5) We are taking all steps to legally recover losses due to unfair & monopolistic actions of the JV & Simplot India LLC.
- 6) We have also taken steps to recover losses from last year Fire in US warehouse.

Our eyes stay focussed on our Vision 2020 to be one of the best food processing companies in India. We firmly believe that inspite of huge setbacks in last three years, we shall stabilise soon and will be thriving back in the high growth tracks.

**Internal Control System and Their Adequacy :** Broadly the internal controls and systems are broken up into following areas:

1. Financial Systems and Reporting
2. Management Reporting
3. HR Systems and Reporting
4. Sales Systems and Reporting
5. Capital Asset Systems and Reporting
6. Operational Fulfillment Systems and Reporting
7. General Administrative Systems and Reporting
8. Knowledge Management Systems



## HIMALYA INTERNATIONAL LIMITED



For the size of the business, most of the systems are considered adequate. Due to the severe resource crunch in the company, it has been unable to implement its plans of automotive systems.

**Risk and Concerns :** The Company is operating its business in the Growth Oriented environment with innovations, changes and varying levels of resources available to food processing industry.

**Cautionary Statement :** "Management Discussion and Analysis" report contains forward looking statements, which may be identified by the use of the words in that direction, or connoting the same. All the statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditure and financial results are forward looking statements.

The Company's actual results, performance or achievements could thus differ materially from those projected in such forward looking statements. The Company assumes no responsibility to public, to amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

### REPORT ON CORPORATE GOVERNANCE

#### I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance assumes a great deal of importance in the business life of the Company. The Company's philosophy on corporate governance is based on the belief that timely disclosures, transparent accounting policies, and a strong and independent Board go a long way in preserving shareholders trust while maximizing long-term shareholders value. It has been a constant endeavor on the part of the Company to follow good Corporate Governance by following the principles of transparency, accountability and integrity in functioning, so as to constantly enhance value for all stakeholders and fulfill the social obligation entrusted upon the corporate sector.

#### II. BOARD OF DIRECTORS

##### (A) Composition of Board

The Present Board of Directors of our Company comprises Directors consisting of Four Executive and Two Non-Executive

S.No.	Name	Category
1	Mr. Man Mohan Malik	Promoter- Executive Director
2	Mrs. Sangita Malik	Promoter- Executive Director
3	Sh. Sanjiv Kakkar	Promoter- Executive Director
4	Mrs. Anita Kakkar	Promoter- Executive Director
5	Sh. Sunil Khera	Non- Executive Independent Director
6	Sh. Chander Prakash Chabbra	Non- Executive Independent Director

##### Non Executive Directors

##### (B) Non Executive Director's Compensation and Disclosures

The Non Executive Directors of the Company are paid sitting fees as fixed by the Board of Directors within limits prescribed under the Companies Act, 1956. Besides sitting fee non-executive directors are not paid any remuneration.

##### (C) Other provisions as to Board and Committee

The details of the other directorship of the Board and their attendance at the Board meetings held during the year, i.e. between April 1, 2013 to March 31, 2014 is given in the following table:

Name	Category	Board Meeting attending during	Attendance at last AGM	No. of Director ship in other companies*	No. of committee position held chairman/member **
Mr. Man Mohan Malik	Promoter- Executive Director	7	Yes	-	3
Mrs. Sangita Malik	Promoter- Executive Director	7	Yes	-	1
Mr. Sanjiv Kakkar,	Promoter- Executive Director	-	No	-	1
Mrs. Anita Kakkar	Promoter- Executive Director	-	No	-	1
Mr. Sunil Khera	Non- Executive Independent Director	6	No	-	3
Mr. Chander P. Chabbra	Non- Executive Independent Director	6	No	-	3

\* Exclusive of the Directorship in Private Limited, Companies, Non-Corporate Institutions, foreign Companies and Section 25 Companies.

\*\* Includes only chairmanship/membership of Audit Committee, Remuneration Committee and Shareholders / Investors Grievance Committee.

The Board periodically reviews Compliance reports of all laws applicable to the Company and has put in place procedure to review steps taken by the Company to rectify the instances of non-compliances, if any.