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**ANNUAL  
REPORT  
2015-16**

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**HIMALAYA GRANITES LIMITED**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Saurabh Mittal, Non-Executive Chairman  
Mr. Ramesh Kumar Haritwal, Managing Director & CEO  
Mr. Beni Gopal Saraf, Independent Director  
Mr. Mahesh Kumar Malpani, Independent Director  
Mr. Pradip Manharlal Domadia, Independent Director  
Ms. Mathangi Ramanujam, Non-Executive Director

### AUDIT COMMITTEE

Mr. Mahesh Kumar Malpani, Chairman  
Mr. Ramesh Kumar Haritwal  
Mr. Beni Gopal Saraf

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Beni Gopal Saraf, Chairman  
Mr. Mahesh Kumar Malpani

### NOMINATION & REMUNERATION COMMITTEE

Mr. Pradip Manharlal Domadia, Chairman  
Mr. Mahesh Kumar Malpani  
Mr. Beni Gopal Saraf

### BUY-BACK COMMITTEE

Mr. Ramesh Kumar Haritwal  
Mr. Beni Gopal Saraf  
Mr. Mahesh Kumar Malpani

### REGISTERED OFFICE

Panchalam Village, Melpettai Post  
Tindivanam, Tamilnadu - 604 307  
CIN: L13206TN1987PLC015161  
Telefax: 044-26693378  
Website: [www.hgl.co.in](http://www.hgl.co.in)  
Email: [investors@hgl.co.in](mailto:investors@hgl.co.in)

### AUDITORS

M/s. D. Dhandaria & Company  
Chartered Accountants  
Thana Road, Tinsukia, Assam - 786125

### REGISTRARS & SHARE TRANSFER AGENTS

M/s. S.K. Infosolutions Pvt. Ltd.  
34/1A, Sudhir Chatterjee Street  
Kolkata - 700 006  
Phone : (033)2219-4815/6797  
Fax : (033) 2219-4815

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## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of the Company and the Audited Financial Statement of the Company for the financial year ended 31st March, 2016.

### 1. FINANCIAL HIGHLIGHTS

(Amount in ₹)

Particulars	2015-16	2014-15
Revenue from Operation	78,600	1,99,900
Other Income	86,28,022	90,55,258
Profit/(Loss) before Finance Cost, Depreciation & Amortization Expenses and Tax Expenses	27,63,602	29,31,320
Less :		
a) Finance Cost	-	-
b) Depreciation & Amortization Expenses	15,07,762	18,60,576
<b>Profit/(loss) before tax</b>	<b>12,55,840</b>	<b>10,70,744</b>
Exceptional Item	-	(14,54,232)
Extraordinary Item	(15,91,289)	-
<b>Profit/(loss) before tax</b>	<b>(3,35,449)</b>	<b>(3,83,488)</b>
Provision for Tax	-	-
Income Tax for earlier years	-	(40,08,580)
Deferred Tax Release	-	20,45,791
<b>Profit/(loss) for the year</b>	<b>(3,35,449)</b>	<b>(23,46,277)</b>
Balance Brought Forward from earlier years	(2,31,74,079)	(1,64,87,381)
Adjustment of depreciation on reassessment of useful lives of tangible assets	-	(43,40,421)
<b>Balance carried to Balance Sheet</b>	<b>(2,35,09,528)</b>	<b>(2,31,74,079)</b>

### 2. STATE OF AFFAIRS OF THE COMPANY AND FUTURE OUTLOOK

During the year under review, your Company continued to let out part of its factory shades and office space. The closure of the Company's unit has posed a challenge for the Company to resume operation. Your directors are exploring alternate avenues to make the Company operative.

### 3. DIVIDEND

In view of the losses during the period under review, your Board of Directors are unable to recommend any dividend.

### 4. SUBSIDIARIES

Your Company had no subsidiaries, Joint Venture or Associate Company during the year under review.

### 5. TRANSFER TO GENERAL RESERVE

In view of the accumulated losses, no transfer is proposed to the General Reserve.

### 6. BOARD OF DIRECTORS

Your Company has received declarations from all the Independent Directors viz. Mr. Mahesh Kumar Malpani (DIN: 02603222), Mr. Beni Gopal Saraf (DIN: 00267858) and Mr. Pradip Manharlal Domadia (DIN: 05292129) confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Saurabh Mittal (DIN: 00273917), Non-Executive Chairman of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

None of the directors of your Company is disqualified under the provisions of Section 164(2)(a) & (b) of the Companies Act, 2013.

#### **7. BUY-BACK AND CHANGES IN SHARE CAPITAL**

The Company has bought back 6,88,216 Equity Shares (representing 22.90% of total number of Equity Shares) at a price of ₹ 30 per share aggregating to ₹ 2,06,46,480/- through tender offer route, pursuant to the approval of Board of Directors and the Shareholders. After extinguishment of equity shares bought back, the Issued, Subscribed and Paid-up share capital of the Company is reduced from 30,05,000 equity shares to 23,16,784 equity shares.

#### **8. KEY MANAGERIAL PERSONNEL**

Mr. Ramesh Kumar Haritwal, Managing Director & CEO was the only Key Managerial Personnel of the Company during the year ended on 31st March, 2016. There was no appointment or resignation of Key Managerial Personnel during the year under review.

#### **9. MEETINGS OF THE BOARD**

During the financial year ended 31st March, 2016, five (5) meetings of the Board of Directors of the Company were held on 30th May 2015, 14th August 2015, 10th October, 2015, 14th November 2015 and 12th February 2016. The Composition of the Board of Directors and their attendance at the Board Meetings during 2015-16 are as below:

Name of the directors and Director Identification Number (DIN)	Category of Directorship	No. of Board Meetings	
		Held	Attended
Mr. Saurabh Mittal (DIN: 00273917)	Non-Executive Chairman, Promoter Director	5	1
Mr. Ramesh Kumar Haritwal (DIN: 01486666)	Managing Director & CEO	5	5
Mr. Beni Gopal Saraf (DIN: 00267858)	Non-Executive- Independent Director	5	5
Mr. Mahesh Kumar Malpani (DIN: 02603222)	Non-Executive- Independent Director	5	5
Mr. Pradip Manharlal Domadia (DIN: 05292129)	Non- Executive- Independent Director	5	5
Ms. Mathangi Ramanujam (DIN: 07095686)	Non-Executive Director	5	5

#### **10. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 (3) & (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting held on 31st March, 2016 have evaluated the performance of non-independent directors, chairperson of the Company after considering the views of the other directors, board as a whole and assessed the quality, quantity and timely flow of information between the Company's management and the Board and the Nomination and Remuneration Committee also has carried out evaluation of performance of every director. On the basis of evaluation made by the Independent Directors and the Nomination and Remuneration Committee and by way of individual and collective feedback from the Non-Independent Directors, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board.



The following were the Evaluation Criteria:

**a. For Independent Directors:**

- Knowledge and Skills
- Professional conduct
- Compliance with Code of Business Ethics and Code of Conduct of the Company, if any
- Rendering independent and unbiased opinion
- Attendance and presence in meetings of Board and Committees
- Review of integrity of financial information and risk management
- Updation of skills and knowledge
- Raising of concerns, if any, to the Board
- Reporting of frauds, violation etc.

**b. For Executive & Non- Executive Directors:**

- Performance as Team Leader/Member
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Sharing of Information with the Board
- Extent of participation during Board and Committee Meetings
- Whether executive directors were able to answer the queries raised by Independent Directors, if any
- Compliance with Code of Business Ethics and Code of Conduct of the Company, if any
- Review of integrity of financial information and risk management
- Raising of concerns, if any, to the Board
- Reporting of frauds, violation etc.

**c. For Committees of the Board:**

- Adequate and appropriate written terms of reference
- Whether the committees work in an 'inclusive' manner
- Effectiveness of the Board's Committees with respect to their role, composition and their interaction with the Board
- Are the committees used to the best advantage in terms of management development, effective decision etc.

**d. For Board of Directors:**

- Setting of clear performance objectives and how well it has performed against them
- Contribution to the testing and development and strategy
- Composition of the board and its committees appropriate with the right mix of knowledge and skills sufficient to maximize performance in the light of future strategy
- Responding to the problems or crises that have emerged
- Relationship between Board and its Committees and between committees themselves
- Updation with latest developments in regulatory environments and the market in which the Company operates

The Directors expressed their satisfaction with the evaluation process.

**11. AUDIT COMMITTEE**

The Audit Committee consists of two independent directors with Mr. Mahesh Kumar Malpani as Chairman and Mr. Beni Gopal Saraf as member and also one executive director Mr. Ramesh Kumar Haritwal, Managing Director & CEO as member. The Committee *inter alia* reviews the Internal Control System and reports of Internal Auditors and compliance of various regulations. The Committee also reviews the Financial Statements before they are placed before the Board. The detailed terms of reference of the Committee is provided herein below :

**TERMS OF REFERENCE FOR THE AUDIT COMMITTEE:****Powers of Audit Committee**

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of Audit Committee**

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - ii. Changes, if any, in accounting policies and practices and reasons for the same
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management
  - iv. Significant adjustments made in the financial statements arising out of audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements
  - vi. Disclosure of any related party transactions
  - vii. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;



16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as may be referred to by the Board or mandated by regulatory provisions from time to time.

**Review of information by Audit Committee**

1. The Audit Committee shall mandatorily review the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses;
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
  - f. Statement of deviations:
    - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulations 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    - ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Meetings and attendance:**

During 2015-16, four (4) meetings of the Audit Committee were held on 30th May, 2015, 14th August, 2015, 14th November, 2015 and 12th February, 2016. The attendances of the directors at the Audit Committee Meetings during the financial year 2015-16 are as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Mahesh Kumar Malpani	Non-executive - Independent director	4	4
Mr. Ramesh Kumar Haritwal	Executive - Non-Promoter director	4	4
Mr. Beni Gopal Saraf	Non-executive - Independent director	4	4

**12. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee consists of three independent directors with Mr. Pradip Manharlal Domadia, as Chairman and Mr. Mahesh Kumar Malpani and Mr. Beni Gopal Saraf as members of the Committee. The terms of reference of the Committee is given below :

**Terms of Reference for the Nomination and Remuneration Committee**

1. To formulate criteria for:
  - a. determining qualifications, positive attributes and independence of a director;
  - b. evaluation of independent directors and the Board.
2. To devise and recommend policies on :
  - a. remuneration including any compensation related payments of the directors, key managerial personnel and other employees and recommend the same to the board of the Company;
  - b. board diversity laying out an optimum mix of executive, independent and non-independent directors keeping in mind the needs of the Company.



3. To identify persons who are qualified to:
  - a. become directors in accordance with the criteria laid down, and recommend to the Board the appointment and removal of directors;
  - b. be appointed in senior management in accordance with the policies of the Company and recommend their appointment to the HR Department and to the Board.
4. To carry out evaluation of the performance of every director of the Company.
5. To express opinion to the Board that a director possesses the requisite qualification(s) for the practice of the profession in case the services to be rendered by a director are of professional nature.
6. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. To carry out such other business as may be required by applicable law or delegated by the Board or considered appropriate in view of the general terms of reference and the purpose of the Nomination and Remuneration Committee.

**Meetings and attendance:**

During the financial year 2015-16, two (2) meetings of the Nomination & Remuneration Committee were held on 30th May, 2015 and 12th February, 2016. The attendances of the member directors at the Nomination & Remuneration Committee meeting during the financial year 2015-16 are as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Pradip Manharlal Domadia	Non-executive -Independent director	2	2
Mr. Mahesh Kumar Malpani	Non-executive -Independent director	2	2
Mr. Beni Gopal Saraf	Non-executive -Independent director	2	2

**Summary on Nomination & Remuneration Policy of the Company**

The Board of Directors has adopted the remuneration policy at the recommendation of the Nomination and Remuneration Committee in compliance with Section 178 of Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations. This policy applies to all the "Executives" of the Company and is valid for all employment agreements entered into after the approval of the Policy and for changes made to existing employment agreements thereafter. In keeping with the provisions of Section 178, the remuneration structure of the Company comprises of fixed remuneration (including fixed supplements), performance-based remuneration (variable salary) such as pension schemes, where applicable, other benefits in kind and severance payment, where applicable. Further, the Policy states that the non-executive directors and independent directors of the Company may receive remuneration only by way of fee and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible by the Applicable law. Additionally, the Policy also lays down the overall selection criteria for the Executives of the Company which is based on broad heads such as competencies, capabilities, compatibility, strong interpersonal skills, commitment among others. The Policy also entitles Executives to a severance fee.

**13. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee consists of two independent directors with Mr. Beni Gopal Saraf as Chairman and Mr. Mahesh Kumar Malpani as member of the Committee. The terms of reference of the Committee is given below:

**Terms of Reference for the Stakeholder's Relationship Committee are as below:**

- i. To ensure proper and timely attendance and redressal of grievances of security holders of the Company in relation to:
  - a. Transfer of shares,
  - b. Non-receipt of annual reports,
  - c. Non-receipt of declared dividend,
  - d. All such complaints directly concerning the shareholders / investors as stakeholders of the Company; and
  - e. Any such matters that may be considered necessary in relation to shareholders and investors of the Company.
- ii. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;





- iii. To review and / or approve applications for transfer, transmission, transposition and mutation of share certificates including issue of duplicate certificates and new certificates on split / sub-division / consolidation / renewal and to deal with all related matters.
- iv. To review and approve requests of dematerialization and rematerialisation of securities of the Company and such other related matters;
- v. Appointment and fixing of remuneration of RTA and overseeing their performance;
- vi. Review the status of the litigation(s) filed by/against the security holders of the Company;
- vii. Review the status of claims received for unclaimed shares;
- viii. Recommending measures for overall improvement in the quality of investor services;
- ix. Monitoring implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015;
- x. Review the impact of enactments/ amendments issued by the MCA/ SEBI and other regulatory authorities on matters concerning the investors in general;
- xi. Such other matters as per the directions of the Board of Directors of the Company and/ or as required under Regulation 20 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from time to time.

During 2015-16, Two meetings were held on 4th December, 2015 and 30th March, 2016 and the attendances of member directors were as follows:

Name of the members	Category	No. of meetings	
		Held	Attended
Mr. Beni Gopal Saraf	Non-executive -Independent director	2	2
Mr. Mahesh Kumar Malpani	Non-executive -Independent director	2	2

The table below gives the number of Shareholders Complaints received, resolved and pending during the year 2015-16.

**Number of Complaints:**

Received	Resolved	Pending
One	One	Nil

**14. INDEPENDENT DIRECTORS AND THEIR MEETING**

There are three Independent Directors in the Company as per following details:

Mr. Pradip Manharlal Domadia, (DIN:05292129)

Mr. Mahesh Kumar Malpani, (DIN:02603222)

Mr. Beni Gopal Saraf, (DIN:00267858)

During the year under review, a meeting of Independent Directors was held on 31st March, 2016, where all the Independent Directors of the Company were present.

**15. BUY BACK COMMITTEE**

The Buy-back Committee consists of three Directors from the Board as Members of the Committee- Mr. Ramesh Kumar Haritwal, Managing Director & CEO, Mr. Mahesh Kumar Malpani, Independent Director and Mr. Beni Gopal Saraf, Independent Director.

During the year under review, two meeting of the Buy-back Committee were held on November 19, 2015 and March 1, 2016, where all the Members of the Committee were present.

**16. VIGIL MECHANISM**

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Whistle Blower Policy' to establish Vigil Mechanism for directors and employees to report genuine concerns has been framed. This policy provides a platform to disclose information, confidentially and without fear of reprisal or victimization, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrong doing within the Company. The Company ensures that no personnel have been denied access to the Audit Committee.

**17. RISK MANAGEMENT**

The Company is taking necessary steps to identify, assess, monitor and mitigate various risks to key business objectives. Major risks to be identified by the businesses and functions, if any, would be systematically addressed through mitigating actions on a continuing basis.

**18. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Directors had laid down internal financial controls procedures to be followed by the Company which ensure compliance with various policies, practices and statutes. The Audit Committee of the Board, from time to time, evaluated the internal financial control of the Company with regard to -

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. There are well-laid manuals for such general or specific authorization.
2. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of Financial Statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.
3. Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
4. The existing assets of the Company are verified /checked at reasonable intervals and appropriate action is taken with respect to any differences, if any.
5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

**19. CORPORATE SOCIAL RESPONSIBILITY**

During the year under review the compliance under Section 135 of the Companies Act, 2013 was not applicable to the Company. Further, considering the financial and other factors, your company could not take any initiative in this regard.

**20. RELATED PARTY TRANSACTIONS**

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. The particulars of material related party transactions which were entered into on arm's length basis are provided in Form AOC- 2 as required under section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 which is annexed herewith as **Annexure-I**. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company.

**21. DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of the provisions of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Directors state that:

- a) In preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The directors have selected such accounting policies as listed in Note 1 to the financial statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2016 and of the profit of the Company for that period;
- c) The directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors have prepared the annual accounts on a going concern basis;
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and



- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**22. MATERIAL CHANGES**

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. March 31, 2016 and upto the date of this report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

**23. PUBLIC DEPOSITS**

During the Financial Year 2015-16, the Company did not invite or accept any deposits from the public and no such deposit was outstanding at the beginning of the year.

**24. LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There is no Loans granted, Guarantees given and Investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013.

**25. AUDITORS AND THEIR REPORT****(a) Statutory Auditors:**

In compliance with the Companies (Audit and Auditors) Rules, 2014, M/s. D. Dhandaria & Company, Chartered Accountants, has been appointed as Statutory Auditors of the Company for a period of three years till the conclusion of 29th Annual General Meeting (AGM), as approved by the members at their 26th Annual General Meeting held on 30th September, 2014. Further, pursuant to the requirement of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors is to be ratified by the members at every Annual General Meeting. Based on their declaration received by the Company under Section 139 and 141 of the Companies Act, 2013, they are eligible for the appointment. Members are requested to ratify their appointment for the financial year 2016-17.

The Statutory Auditors' Report on the Financial Statements of the Company for the financial year ended March 31, 2016 forms part of this Annual report.

**(b) Secretarial Auditors:**

The Board of Directors of the Company appointed Mr. Dilip Kumar Sarawagi, Practicing Company Secretary, Proprietor of M/s. DKS & Co., having office at 173, M.G. Road, 1st Floor, Kolkata - 700007, to conduct Secretarial Audit for the financial year ended 31st March, 2016. The Secretarial Audit Report in Form No. MR-3 for the financial year ended 31st March, 2016, is annexed herewith as **Annexure-II**.

**(c) Cost Auditors:**

Your Company was not required to appoint Cost Auditor for the financial year ending 31st March, 2016.

**(d) Internal Auditors:**

The Board of Directors has appointed M/s AS & Associates, Cost Accountants, as Internal Auditors of the Company to carry out internal audit of the Company. The Audit committee periodically reviews the Internal Audit report.

**RESPONSE TO AUDITORS' REMARKS**

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report and hence no explanation or comments of the Board is required in this matter.

There is no qualification, reservation, adverse remark or disclaimer by the Secretarial Auditor in their Secretarial Audit Report except that the Secretarial Auditor has reported regarding non-appointment of Company Secretary and Chief Financial Officer by the Company as required under Section 203 of the Companies Act, 2013 and the Rules made thereunder. In respect of the said observation, it is stated that though, during the year under review, the Company has taken initiative to fill up the said vacancies caused by the resignation of the Chief Financial Officer and Company Secretary during the financial year 2010-11, considering the gloomy financial positions and business outlook of the Company it was not possible for the Company to employ suitable candidates for the said vacancies during the year under review.

**26. EXTRACT OF ANNUAL RETURN:**

The extract of Annual Return as required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is provided in Form No. MGT- 9 as **Annexure-III** to this report.

**27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Owing to closure of manufacturing facility of the Company, no step was taken by the Company towards Conservation of energy and Technology Absorption during the year under review. Further there was no foreign exchange earnings and outgo during the year under review.

**28. PARTICULARS OF EMPLOYEES**

The information required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure-IV**.

**29. FRAUD REPORTING**

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of directors during the year under review.

**30. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

No woman was in the employment of the Company during the year under review and hence the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 were not applicable to the Company.

**31. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS/ TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE**

During the period under review, there were no significant and material orders passed by any regulator / court / tribunal impacting the going concern status and the Company's operations in future.

**32. NON-APPLICABILITY OF CORPORATE GOVERNANCE REPORT AS PER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding Corporate Governance Report, is not mandatory to your Company presently. In view of the same, the Corporate Governance Report is not provided in the Annual Report.

**33. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil
- (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- (c) Number of shareholders to whom shares were transferred from suspense account during the year: Nil
- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil
- (e) The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not applicable

**34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report for the year 2015-16, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as a separate statement in the Annual Report.

**35. LISTING OF SHARES**

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 513723. The Company confirms that the annual listing fees to the stock exchange for the Financial Year 2016-17 have been duly paid.

**36. ACKNOWLEDGEMENT**

Your Directors place on record their sincere thanks and appreciation to financial institutions, vendors, clients, investors, Central Government, State Governments, regulatory authorities and other stakeholders for the continuing support and Co-operation.

**For and on behalf of the Board of Directors**

Place : New Delhi  
Date : 28th May, 2016

**Saurabh Mittal**  
**Non-Executive Chairman**  
(DIN: 00273917)



## Annexure-I

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis are given below:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Greenlam Industries Limited	Agreement between Greenlam Industries Limited and the Company in respect of immovable property.	For the period of 11 Months w.e.f. 1st Sept, 2015.	Monthly Rent of ₹ 4,00,000/-.	14th August, 2015	Nil

For and on behalf of the Board of Directors

Place : New Delhi  
Date : 28th May, 2016

Saurabh Mittal  
Non-Executive Chairman  
(DIN: 00273917)



**FORM NO. - MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2016**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies*  
*(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members of  
**HIMALAYA GRANITES LIMITED**  
Panchalam Village,  
Melpettai Post, Tindivanam,  
**TAMILNADU - 604 307**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HIMALAYA GRANITES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the applicable statutory provisions and adhered to good corporate practices and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as applicable;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(not applicable to the Company)**
  - (e) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable to the Company)**
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the Company)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) Other Laws applicable specifically to the Company;



Due to the closure of the Company's unit the management confirms that there are no other Laws applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (j) The Listing Agreements entered into by the Company with BSE Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as applicable.

**We report that** during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above except that the *Company has not appointed Company Secretary and Chief Financial Officer* as required under Section 203 of the Companies Act, 2013 and the Rules made thereunder.

**We further report that** based on the information provided and the representation made by the Company taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable laws.

**We further report that** Compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

**We further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and rules made thereunder.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. As per the minutes of the meeting duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period no other major actions have been undertaken by the Company except the Company has bought back 6,88,216 Equity Shares (representing 22.90% of total number of Equity Shares) at a price of ₹ 30 per share aggregating to ₹ 2,06,46,480 through tender offer route, under SEBI (Buyback of Securities) Regulations 1998.

for **DKS & Co.**

Place : Kolkata

Date : 28th May, 2016

**DILIP KUMAR SARAWAGI**

ACS : 13020 C. P. No.: 3090

Note: This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



**'Annexure A'**

To  
The Members of  
**HIMALAYA GRANITES LIMITED**  
Panchalam Village,  
Melpettai Post, Tindivanam,  
**TAMILNADU - 604 307**

My report of even date is to be read with along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial audit report based on the audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for **DKS & Co.**

Place : Kolkata  
Date : 28th May, 2016

**DILIP KUMAR SARAWAGI**  
ACS : 13020 C. P. No.: 3090





## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

1.	CIN	L13206TN1987PLC015161
2.	Registration Date	DECEMBER 11, 1987
3.	Name of the Company	HIMALAYA GRANITES LIMITED
4.	Category/Sub-category of the Company	Public Company limited by shares
5.	Address of the Registered office & contact details	Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu-604 307 Telephone: 011-42791399 Telefax: 044-26693378 Website : www.hgl.co.in Email : investors@hgl.co.in
6.	Whether listed company	Yes. Listed on BSE Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. S. K. Infosolutions Private Limited. 34/1A, Sudhir Chatterjee Street Kolkata – 700 006 Phone: (033) 2219-4815/6797 Fax: (033) 2219-4815 Email: skcdilip@gmail.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product /service	% to total turnover of the company*
1.	Letting out of immovable properties	68100	55.86
2.	Credit Granting	64920	37.31

\* Figures have been stated on the basis of the gross turnover of the Company.


**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

The Company has no subsidiary, holding and associate Company during the period under review.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2015]				No. of Shares held at the end of the year [As on 31/03/2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	1122250	-	1122250	37.35	1716950	-	1716950	74.11	36.76
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	594800	-	594800	19.79	100	-	100	0.00	(19.79)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):-</b>	<b>1717050</b>	<b>-</b>	<b>1717050</b>	<b>57.14</b>	<b>1717050</b>	<b>-</b>	<b>1717050</b>	<b>74.11</b>	<b>16.97</b>
(2) Foreign									
a) NRIs-Individual	-	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>1717050</b>	<b>-</b>	<b>1717050</b>	<b>57.14</b>	<b>1717050</b>	<b>-</b>	<b>1717050</b>	<b>74.11</b>	<b>16.97</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	100	100	0.00	-	-	-	-	0.00
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2015]				No. of Shares held at the end of the year [As on 31/03/2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.	237381	3900	241281	8.03	40805	3900	44705	1.93	(6.10)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	176632	81636	258268	8.59	167129	77536	244665	10.56	1.97
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	786915	-	786915	26.19	308978	-	308978	13.34	(12.85)
c) Others									
Non Resident Indians	1386	-	1386	0.05	1386	-	1386	0.06	0.01
Foreign Company	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>1202314</b>	<b>85536</b>	<b>1287850</b>	<b>42.86</b>	<b>518298</b>	<b>81436</b>	<b>599734</b>	<b>25.89</b>	<b>(16.97)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1202314</b>	<b>85636</b>	<b>1287950</b>	<b>42.86</b>	<b>518298</b>	<b>81436</b>	<b>599734</b>	<b>25.89</b>	<b>(16.97)</b>
<b>Grand Total (A+B)</b>	<b>2919364</b>	<b>85636</b>	<b>3005000</b>	<b>100.00</b>	<b>2235348</b>	<b>81436</b>	<b>2316784</b>	<b>100.00</b>	<b>NA</b>

**B) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Shiv Prakash Mittal	12500	0.42	-	12500	0.54	-	0.12
2.	Mr. Rajesh Mittal	621250	20.67	-	-	-	-	(20.67)
3.	Mr. Saurabh Mittal	10000	0.33	-	1647600	71.12	-	70.79
4.	Mr. Shobhan Mittal	27500	0.92	-	-	-	-	(0.92)

**C) Change in Promoters' Shareholding:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Shiv Prakash Mittal</b>				
	At the beginning of the year	12500	0.42	12500	0.42
	Changes during the year :	No Change during the year			
	At the end of the year			12500	0.54



Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	<b>Mr. Rajesh Mittal</b>				
	At the beginning of the year	621250	20.67	621250	20.67
	Changes during the year :				
	Disposed off 300000 Shares on 08.10.2015 (Inter se transfer)			321250	10.69
	Disposed off 321250 Shares on 28.03.2016 (Inter se transfer)			-	-
	At the end of the year			-	-
3.	<b>Mr. Saurabh Mittal</b>				
	At the beginning of the year	10000	0.33	10000	0.33
	Changes during the year :				
	Acquired 300000 Shares on 08.10.2015 (Inter se transfer)			310000	10.31
	Acquired 1337600 Shares on 28.03.2016 (Inter se transfer)			1647600	71.12
	At the end of the year			1647600	71.12
4.	<b>Mr. Shobhan Mittal</b>				
	At the beginning of the year	27500	0.92	27500	0.92
	Changes during the year :				
	Disposed off 27500 Shares on 28.03.2016 (Inter se transfer)			-	-
	At the end of the year			-	-

**D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>SANJEEV KRISHNA BHALOTIA</b>				
	At the beginning of the year	72353	2.41	72353	2.41
	Changes during the year:	No Change during the year			
	At the end of the year			72353	3.12
2.	<b>MANJU BHALOTIA MANJU</b>				
	At the beginning of the year	127328	4.24	127328	4.24
	Changes during the year :				
	Purchased 62584 Shares on 14.08.2015			189912	8.20
	Sold 127328 Shares on 28.01.2016 (Buy-back)			62584	2.70
	At the end of the year			62584	2.70



Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	<b>SANGEETHA S</b>				
	At the beginning of the year	52000	1.73	52000	1.73
	Changes during the year:	No Change during the year			
	At the end of the year			52000	2.24
4.	<b>SARVESH BUBNA TRUST</b>				
	At the beginning of the year	50202	1.67	50202	1.67
	Changes during the year:	No Change during the year			
	At the end of the year			50202	2.16
5.	<b>SEETHA KUMARI</b>				
	At the beginning of the year	37849	1.26	37849	1.26
	Changes during the year:	No Change during the year			
	At the end of the year			37849	1.63
6.	<b>SATHYA S</b>				
	At the beginning of the year	33990	1.13	33990	1.13
	Changes during the year:	No Change during the year			
	At the end of the year			33990	1.46
7.	<b>PLYLAM ENTERPRISES PVT. LTD.</b>				
	At the beginning of the year	20250	0.67	20250	0.67
	Changes during the year:	No Change during the year			
	At the end of the year			20250	0.87
8.	<b>Alkesh Gulab Wadhvani</b>				
	At the beginning of the year	15102	0.50	15102	0.50
	Changes during the year:	No Change during the year			
	At the end of the year			15102	0.65
9.	<b>MONET SECURITIES PRIVATE LTD</b>				
	At the beginning of the year	11867	0.39	11867	0.39
	Changes during the year:	No Change during the year			
	At the end of the year			11867	0.51
10.	<b>SAVITHA S</b>				
	At the beginning of the year	6000	0.20	6000	0.20
	Changes during the year:	No Change during the year			
	At the end of the year			6000	0.25



## E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Saurabh Mittal, Non-Executive Chairman</b>				
	At the beginning of the year	10000	0.33	10000	0.33
	Changes during the year :				
	Acquired 300000 Shares on 08.10.2015 (Inter se transfer)			310000	10.31
	Acquired 1337600 Shares on 28.03.2016 (Inter se transfer)			1647600	71.12
	At the end of the year			1647600	71.12
2.	<b>Mr. Ramesh Kumar Haritwal, Managing Director &amp; CEO</b>				
	At the beginning of the year	200	0.00	200	0.00
	Changes during the year :	No change during the year			
	At the end of the year			200	0.01
3.	<b>Ms. Mathangi Ramanujam, Non-Executive Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year :	No change during the year			
	At the end of the year			Nil	Nil
4.	<b>Mr. Mahesh Kumar Malpani, Independent Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year :	No change during the year			
	At the end of the year			Nil	Nil
5.	<b>Mr. Beni Gopal Saraf, Independent Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year :	No change during the year			
	At the end of the year			Nil	Nil
6.	<b>Mr. Pradip Manharlal Domadia, Independent Director</b>				
	At the beginning of the year	700	0.02	700	0.02
	Changes during the year :	No change during the year			
	At the end of the year			700	0.03

**Note :** Due to Buy-back of Shares by the Company during the financial year 2015-16, the changes in percentage of Shareholding does not correspond to the change in the number of Shares held by the respective Shareholders.


**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>	Nil	Nil	Nil	Nil
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (₹)
		Mr. Ramesh Kumar Haritwal, Managing Director & CEO	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,74,300	15,74,300
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3), of the Income- tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others	Nil Nil	Nil Nil
5	Others ( Medical reimbursement & Contribution to Provident Fund)	1,32,336	1,32,336
	<b>Total (A)</b>	<b>17,06,636</b>	<b>17,06,636</b>
	Ceiling as per the Act <sup>^</sup>	Nil	Nil

<sup>^</sup>Being 5% of net profit of the Company calculated as per section 198 of the Companies Act, 2013


**B. Remuneration to other Directors**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹)
		Mr. Saurabh Mittal, Non-Executive Chairman	Mahesh Kumar Malpani, Independent Director	Mr. Beni Gopal Saraf, Independent Director	Ms. Mathangi Ramanujam, Non-Executive Director	Mr. Pradip Manharlal Domadia, Independent Director	
1	Independent Directors						
	Fee for attending board and committee meetings (₹)	N.A.	3000	3000	N.A.	3000	9000
	Commission (₹)	N.A.	Nil	Nil	N.A.	Nil	Nil
	Others, please specify	N.A.	Nil	Nil	N.A.	Nil	Nil
	<b>Total (1) (₹)</b>	<b>N.A.</b>	<b>3000</b>	<b>3000</b>	<b>N.A.</b>	<b>3000</b>	<b>9000</b>
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	500	N.A.	N.A.	2500	N.A.	3000
	Commission	Nil	N.A.	N.A.	Nil	N.A.	Nil
	Others	Nil	N.A.	N.A.	Nil	N.A.	Nil
	<b>Total (2)</b>	<b>500</b>	<b>N.A.</b>	<b>N.A.</b>	<b>2500</b>	<b>N.A.</b>	<b>3000</b>
	<b>Total (B)=(1+2)</b>	<b>500</b>	<b>3000</b>	<b>3000</b>	<b>2500</b>	<b>3000</b>	<b>12000<sup>^</sup></b>
	Total Managerial Remuneration (₹)						1718636#
	Overall Ceiling as per the Act (₹)						Nil*

# Total remuneration to the Managing Director & CEO, and other directors (being the total of A & B)

\*Being 11% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013

<sup>^</sup> The sum total of sitting fees does not include the amount of Service Tax, as applicable

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:** The Company has no Key Managerial Personnel other than MD/Manager/WTD during the year under review.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>B. DIRECTORS</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.





## Annexure-IV

**A. Particulars of employees for the year ended March 31, 2016 as required under Section 197 of the Companies Act, 2013 read with rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

- i. The percentage increase in remuneration of Director and Key Managerial Personnel (KMP) during the financial year 2015-16 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (Amount in ₹)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. Saurabh Mittal, Non-Executive Chairman	500	Nil	There was no permanent employee in the payroll of the Company during the financial year ended 31st March, 2016 and accordingly ratio of remuneration of each Director to median remuneration of employees are not provided
2.	Mr. Ramesh Kumar Haritwal, Managing Director & CEO	17,06,636	18.60	
3.	Mr. Beni Gopal Saraf, Independent Director	3000	20	
4.	Mr. Mahesh Kumar Malpani, Independent Director	3000	20	
5.	Mr. Pradip Manharlal Domadia, Independent Director	3000	20	
6.	Ms. Mathangi Ramanujam, Non-Executive Director	2500	400	

- ii. The median remuneration of employees of the Company during the financial year; There was no permanent employee in the payroll of the Company during the financial year ended 31st March, 2016 and accordingly the median remuneration of employees of the Company is not provided;
- iii. Percentage of increase in the median remuneration of employees; There was no permanent employee in the payroll of the Company during the financial year ended 31st March, 2016, hence, increase in the median remuneration of employees is not provided.
- iv. There was no permanent employee on the rolls of Company as on March 31, 2016;
- v. Relationship between average increase in remuneration and company performance: There was no permanent employee in the payroll of the Company during the financial year ended 31st March, 2016. As the manufacturing facility of the company remain closed during the financial year ended 31st March, 2016, hence relationship between average increase in remuneration and company could not be established during the financial year ended 31st March, 2016.
- vi. Comparison of remuneration of the Key Managerial Personnel against the performance of the Company: The remuneration of Mr. Ramesh Kumar Haritwal, Managing Director & CEO of the Company, the only KMP, the remuneration increased 18.60% during the financial year ended 31st March, 2016. As the manufacturing facility of the company remain closed during the financial year ended 31st March, 2016, the comparison of remuneration of the Key Managerial Personnel against the performance of the Company could not be established during the financial year ended 31st March, 2016.



- vii. Variations in the market capitalisation of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Stock Exchange	Closing Market Price per Share (₹)		Percentage increase	Price Earnings Ratio		Market Capitalisation (₹ In crores)	
	As on 31st March, 2016	As on 31st March, 2015		As on 31st March, 2016	As on 31st March, 2015	As on 31st March, 2016	As on 31st March, 2015
BSE Limited	₹ 17.00	₹ 8.50	100	-	-	3.94	2.55

IPO price per Share (1994) - ₹ 30/-

Market price as at 31st March, 2016 - ₹ 17/-

Percentage decrease from last IPO - (43.33%)

- viii. Average percentage of increase made in the salaries of employees other than the managerial personnel in the last financial year and its percentage of increase in the managerial remuneration: Not Applicable.
- ix. The key parameters for the variable component of remuneration such as annual commission availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors and Senior Management Personnel, wherever applicable.
- x. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable.
- xi. It is hereby affirmed that the remuneration paid during the year ended 31st March, 2016 is as per the Remuneration Policy.
- B. Particulars of employees for the year ended March 31, 2016 as required under Section 197 of the Companies Act, 2013 read with rule 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 : Not applicable**

**For and on behalf of the Board of Directors**

Place : New Delhi  
Dated : 28th May, 2016

**Saurabh Mittal**  
**Non-Executive Chairman**  
(DIN: 00273917)



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

During the year under review, your Company continued to let out part of its factory shades, situated at the registered office of the Company in the State of Tamil Nadu.

### **OPPORTUNITIES AND THREATS**

The management could not tap any opportunity during the year under review.

### **SEGMENT WISE PERFORMANCE**

The Company currently operates in only one Segment.

### **OUTLOOK**

Your directors are exploring alternate avenues to make the Company operative.

### **RISK AND CONCERN**

The closure of the Company's unit has posed a challenge for the Company to resume operations.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The company has an adequate internal control system. An Audit committee headed by non-executive independent Director periodically reviews the audit observation and the corrective remedial measures taken in this respect.

### **HUMAN RESOURCES DEVELOPMENT**

The production facilities of the Company continue to remain close since 27th February, 2008 and there are no pending dues of its workers.

### **CAUTIONARY STATEMENT**

Certain statements in the directors' report and management discussion and analysis reflecting the company's projections, estimates, objectives and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such projections, estimates, objectives and expectations due to economic and climatic conditions effecting government regulations, policies, taxations and other factors on which the Company does not have any direct control.

**For and on behalf of the Board of Directors**

Place: New Delhi  
Date: 28th May, 2016

**Saurabh Mittal**  
*Non-Executive Chairman*  
(DIN: 00273917)



## **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**Himalaya Granites Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of HIMALAYA GRANITES LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March 2016, and its profit and its cash flows for the year ended on that date.

**Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, 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 the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
  - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (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".
  - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There were no pending litigations which would impact the financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. **306147E**

(Naveen Kumar Dhandaria)  
Partner  
Membership No. **061127**

Place of Signature: New Delhi  
Date : 28 May 2016

**ANNEXURE REFERRED TO IN PARAGRAPH 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE****RE: HIMALAYA GRANITES LIMITED ('THE COMPANY')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, which apply to the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there were no dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. Further, the Company does not have any debentures and loan from financial institution or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us by the Management, no fraud on or by the Company has been noticed or reported by the Management during the year:
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.



- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. **306147E**

(Naveen Kumar Dhandaria)

Partner

Membership No. **061127**

Place of Signature: New Delhi

Date : 28 May 2016

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## **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HIMALAYA GRANITES LIMITED**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

To the Members of  
**Himalaya Granites Limited**

We have audited the internal financial controls over financial reporting of HIMALAYA GRANITES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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. 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 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 Companies Act, 2013.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial



Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A Company's internal financial control over financial reporting 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 over financial reporting 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 authorisations 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 over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, 2016, based on the internal control over financial reporting criteria established by the Company 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.

#### **EXPLANATORY PARAGRAPH**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 28 May, 2016 expressed an unqualified opinion thereon.

**For D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. **306147E**

(Naveen Kumar Dhandaria)

Partner

Membership No. **061127**

Place of Signature: New Delhi

Date : 28 May 2016





## Balance Sheet as at 31st March, 2016

Particulars	Note No.	As at 31st March, 2016		As at 31st March, 2015	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES :</b>					
<b>Shareholders' Funds :</b>					
Share Capital	1	23167840		30050000	
Reserves & Surplus	2	47320400		61420169	
			70488240		91470169
<b>Non-current Liabilities :</b>					
Other Long Term Liabilities	3		-		468000
Long Term Provisions	4		286729		266729
<b>Current Liabilities :</b>					
Trade Payables	5		751189		818689
Other Current Liabilities	6		583769		409399
<b>TOTAL :</b>			<b>72109927</b>		<b>93432986</b>
<b>ASSETS :</b>					
<b>Non-Current Assets :</b>					
<b>Fixed Assets :</b>					
Tangible Assets	7		19838317		22322369
<b>Long Term Loans &amp; Advances</b>	8		691897		681073
<b>Current Assets :</b>					
Inventories	9	102893		299393	
Trade Receivables	10	10027124		9782127	
Cash & Bank Balances	11	2447414		8876591	
Short Term Loans & Advances	12	39002282		51471433	
			51579713		70429544
<b>TOTAL :</b>			<b>72109927</b>		<b>93432986</b>

Significant Accounting Policies

See accompanying notes to the Financial Statements 1 to 32

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. **306147E**

**Saurabh Mittal**  
Non-Executive Chairman  
(DIN: 00273917)

Place of Signature : New Delhi  
Dated : 28th May, 2016

**Naveen Kumar Dhandaria**  
Partner  
Membership No. **061127**

**Ramesh Kumar Haritwal**  
Managing Director & CEO  
(DIN : 01486666)

**Statement of Profit and Loss** for the year ended 31st March, 2016

Particulars	Note No.	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
		₹	₹	₹	₹
<b>INCOME :</b>					
Revenue Form Operations	13		78600		199900
Other Income	14		8628022		9055258
<b>Total Revenue</b>			<b>8706622</b>		<b>9255158</b>
<b>EXPENDITURE :</b>					
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	15		196500		205804
Employees Benefits Expense	16		2302857		2197972
Depreciation	17		1507762		1860576
Other Expenses	18		3443663		3920062
<b>Total Expenditure</b>			<b>7450782</b>		<b>8184414</b>
<b>Profit/(Loss) Before Exceptional and Extraordinary items and Tax</b>			1255840		1070744
Exceptional Items	19		-		(1454232)
<b>Profit/(Loss) Before Extraordinary items and Tax</b>			<b>1255840</b>		<b>(383488)</b>
Extraordinary Items	20		(1591289)		-
<b>Profit/(Loss) Before Tax</b>			<b>(335449)</b>		<b>(383488)</b>
<b>Tax Expense :</b>					
Income tax for earlier years			-	(4008580)	
Release of Deferred Tax			-	2045791	
				-	(1962789)
<b>Profit/(Loss) for the Year</b>			<b>(335449)</b>		<b>(2346277)</b>
<b>Earnings per Equity Share of face value of ₹ 10 each</b>	32				
Basic & Diluted (in ₹)			(0.12)		(0.78)

Significant Accounting Policies

See accompanying notes to the Financial Statements 1 to 32

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. **306147E**

**Saurabh Mittal**  
Non-Executive Chairman  
(DIN: 00273917)

Place of Signature : New Delhi  
Dated : 28th May, 2016

**Naveen Kumar Dhandaria**  
Partner  
Membership No. **061127**

**Ramesh Kumar Haritwal**  
Managing Director & CEO  
(DIN : 01486666)



## Cash Flow Statement for the year ended 31st March, 2016

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	₹	₹	₹	₹
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>				
Net Profit before Tax and Extraordinary items		1255840		(383488)
Add:				
a) Depreciation	1507762		1860576	
b) Loss on Sale/Discard of Fixed Assets	839421		832320	
		<u>2347183</u>		<u>2692896</u>
		3603023		2309408
Less:				
a) Interest Income	3248430		3679318	
b) Rental Income	4863840		5375940	
c) Profit on Sale of Fixed Assets	10752		-	
		<u>8123022</u>		<u>9055258</u>
Operating Profit before Working Capital Changes		(4519999)		(6745850)
Less:				
Adjustments for :				
a) Trade and other Receivables	(13774980)		(4398534)	
b) Inventories	(196500)		(205804)	
c) Trade Payables	341130		575612	
		<u>(13630350)</u>		<u>(4028726)</u>
Cash Inflow (+)/Outflow (-) from Operations		9110351		(2717124)
Less : Income Tax Paid/refund received (-)		-		4008580
Net Cash Inflow (+)/Outflow (-) in course of Operating Activities		<u>9110351</u>		<u>(6725704)</u>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:</b>				
<b>INFLOW</b>				
a) Sale of Fixed Assets	147621		-	
b) Interest Received	3248430		3679318	
c) Rental Income	4863840		5375940	
		<u>8259891</u>		<u>9055258</u>
Net Cash Inflow (+) / Outflow (-) in course of Investing Activities		<u>8259891</u>		<u>9055258</u>

**Cash Flow Statement** for the year ended 31st March, 2016

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	₹	₹	₹	₹
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>				
DEDUCT : OUTFLOW				
a) Buy Back of Equity Shares	20646480		—	
b) Buy Back Expenses	1591289		—	
		<u>22237769</u>		<u>—</u>
Net Cash Outflow/(Inflow) in course of Financing Activities		<u>22237769</u>		<u>—</u>
Net Increase/ (Decrease) in Cash/Cash Equivalents (A+B+C)		(4867527)		2329554
ADD : Balance at the beginning of the year		7314941		4985387
<b>Cash / Cash Equivalents at the close of the Year</b>		<u><b>2447414</b></u>		<u><b>7314941</b></u>
AS PER OUR ANNEXED REPORT OF EVEN DATE.				

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. **306147E**

**Saurabh Mittal**  
Non-Executive Chairman  
(DIN: 00273917)

Place of Signature : New Delhi  
Dated : 28th May, 2016

**Naveen Kumar Dhandaria**  
Partner  
Membership No. **061127**

**Ramesh Kumar Haritwal**  
Managing Director & CEO  
(DIN : 01486666)

**SIGNIFICANT ACCOUNTING POLICIES****1 DISCLOSURE OF ACCOUNTING POLICIES (AS – 1):****1.1 Accounting concepts & Basis of Preparation :**

The financial Statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Company (Accounting Standards) Rules 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company's management evaluates all recently issued or revised accounting standards on an on-going basis.

**1.2 Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**2 VALUATION OF INVENTORIES (AS – 2):**

- 2.1** Stock of Raw Materials, Consumables and Stores and spare are valued at cost. Cost represents purchase price and other costs for bringing inventories upto their present location and condition and is generally determined on weighted average basis.
- 2.2** Finished goods are valued at lower of cost and net realisable value.

**3 CASH FLOW STATEMENT (AS – 3):**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated. Cash and cash equivalents in the balance sheet comprise cash at bank (excluding pledged term deposits), cash/cheques in hand and short term investments with an original maturity of three months or less.

**4 CONTINGENCIES AND EVENTS OCCURRING AFTER BALANCE SHEET DATE (AS – 4):**

Disclosure of contingencies as required by the accounting standard is furnished in the Notes on accounts.

**5 DEPRECIATION (AS – 6):**

Tangible assets are depreciated on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.

**6 REVENUE RECOGNITION (AS – 9):**

- 6.1** Revenue from sale of goods and services rendered is recognized from passage of title which generally coincides with delivery of materials and rendering of services to the customers.
- 6.2** Interest income is recognized from time proportion basis taking into account the amount outstanding and rate applicable.
- 6.3** Rental income is recognised on accrual basis.

**7 ACCOUNTING FOR FIXED ASSETS (AS – 10):**

Fixed assets are stated at cost less accumulated depreciation. Cost includes borrowing costs and all incidental expenditure net of CENVAT, Service Tax Input Credit and VAT input credit, wherever applicable.

**8 EMPLOYEE BENEFITS (AS – 15):**

**8.1** Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

**8.2** Post Employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of past employment and other long term benefits are charged to the Statement of Profit and Loss.

**9 RELATED PARTY DISCLOSURES (AS – 18):**

Disclosure of related parties as required by the accounting standard is furnished in the Notes on accounts.

**10 EARNINGS PER SHARE (AS – 20):**

Basic earnings (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

**11 ACCOUNTING FOR TAXES ON INCOME (AS – 22):**

Income-tax expenses comprises current tax and deferred tax charge or release. The deferred tax charge or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets based on expected future profits. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed as at each Balance Sheet date to reassess realisation.

**12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS – 29):**

**12.1** Provisions are made for present obligations arising as a result of past events.

**12.2** Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts.

**12.3** Contingent assets are neither accounted for nor disclosed by way of Notes on Accounts.

**13 VAT, SERVICE TAX & EDUCATION CESS**

Various expenses are accounted for after deducting the refunds receivable in respect of VAT, Service Tax & Education cess.



## Notes to Financial Statements for the year ended 31st March, 2016

	As at 31st March, 2016		As at 31st March, 2015	
	Number	₹	Number	₹
<b>1. SHARE CAPITAL :</b>				
<b>1.1 Authorised</b>				
Equity Shares of ₹ 10 each	4000000	40000000	4000000	40000000
<b>1.2 Issued, Subscribed And Fully Paid up :</b>				
Equity Shares of ₹ 10 each	2316784	23167840	3005000	30050000
<b>1.3 The reconciliation of the number of shares outstanding</b>				
Equity Shares at the beginning of the year	3005000	30050000	3005000	30050000
Less : Shares bought back during the year (Refer note no.27)	688216	6882160	-	-
Total	2316784	23167840	3005000	30050000

### 1.4 Terms/Rights attached to the Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year, the company has not declared or recognized any dividend to equity shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders.

### 1.5 Name of The Shareholders holding more than 5% Shares

	Number	%	Number	%
<b>Equity Shares</b>				
Saurabh Mittal *	1647600	71.12%		
Rajesh Mittal			621250	20.67%
Anirudha Bubna Trust			398091	13.25%
Greenply Industries Ltd.			380583	12.66%
S.M.Management Pvt. Ltd.			214117	7.13%
Saurabh Mittal & Shobhan Mittal on Behalf of Trade Combines, Partnership Firm			312400	10.40%

\* Comparative figure are not given as the % of holding is below 5%.

As per records of the Company, including its register of share holders/member and other declaration received from share holders regarding beneficiary interest if any, the above shareholding represents both legal and beneficial ownership of shares.

**1.6** The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

**Notes to Financial Statements** for the year ended 31st March, 2016

- 1.7 The Company for the period of five years immediately preceding the date of Balance Sheet has :
- Not allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.
  - Not allotted fully paid up shares by way of bonus shares.
  - Bought back 6,88,216 equity shares during the year.

	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
<b>2 RESERVES &amp; SURPLUS :</b>				
<b>Capital Reserve</b>				
Balance as per last Financial Statements		1500000		1500000
<b>Capital Redemption Reserve</b>				
Balance as per last Financial Statements	–		–	
Add : Transferred from General Reserve (Refer note no. 27)	6882160	6882160	–	–
<b>Securities Premium Account</b>				
Balance as per last Financial Statements	20000000		20000000	
Less : Premium on buy back of Equity Shares (Refer note no. 27)	13764320	6235680	–	20000000
<b>General Reserve</b>				
Balance as per last Financial Statements	63094248		63094248	
Less : Transferred to Capital Redemption Reserve (Refer note no. 27)	6882160	56212088	–	63094248
<b>Surplus i.e. Balance in Statement of Profit &amp; Loss</b>				
Balance as per last Financial Statements	(23174079)		(16487381)	
Less : Adjustment for Depreciation on reassessment of useful lives of tangible assets (Refer note no. 24)	–		4340421	
Add/(Less) : Profit/(Loss) for the year	(335449)	(23509528)	(2346277)	(23174079)
<b>TOTAL</b>		<b>47320400</b>		<b>61420169</b>





## Notes to Financial Statements for the year ended 31st March, 2016

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
<b>3 OTHER LONG TERM LIABILITIES :</b>		
<b>Others</b>		
Security Deposit from Tenant	—	468000
<b>4 LONG TERM PROVISIONS :</b>		
Provisions for Employee Benefits (unfunded)		
For Gratuity	286729	266729
<b>5 TRADE PAYABLES :</b>		
Dues to Micro and Small Enterprises (Refer Note No. 25)	—	—
Dues to Other than Micro and Small Enterprises	751189	818689
	<u>751189</u>	<u>818689</u>
<b>6 OTHER CURRENT LIABILITIES :</b>		
For Expenses	485101	334827
Statutory Dues	98668	74572
<b>Total</b>	<u>583769</u>	<u>409399</u>
<b>6.1</b> Amount due and outstanding to be credited to the Investor Education and Protection Fund ₹ Nil (Previous Year ₹ Nil)		

## 7 FIXED ASSETS :

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01/04/2015	Additions During the year	Deductions During the year	Cost as at 31/03/2016	Upto 31/03/2015	For the year	Adjustment	Upto 31/03/2016	As at 31/03/2016	As at 31/03/2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>OWN ASSETS</b>										
<b>Tangible Assets</b>										
Land & Developments	1132849	—	—	1132849	—	—	—	—	1132849	1132849
Building (Factory)	33333982	—	257072	33076910	21008475	1064451	128263	21944663	11132247	12325507
Building (Others)	8398478	—	—	8398478	2242447	222933	—	2465380	5933098	6156031
Plant & Equipments	34970104	—	16856658	18113446	32365421	208515	16012957	16560979	1552467	2604683
Vehicles	16800	—	16800	—	15960	—	15960	—	—	840
Electrical Fittings	278252	—	—	278252	264340	—	—	264340	13912	13912
Furniture & Fittings	933965	—	25223	908742	845418	11863	22283	834998	73744	88547
<b>Total</b>	<b>79064431</b>	<b>—</b>	<b>17155753</b>	<b>61908678</b>	<b>56742062</b>	<b>1507762</b>	<b>16179463</b>	<b>42070361</b>	<b>19838317</b>	<b>22322369</b>
Previous Year's Total	83909202	—	4844771	79064431	54553516	6200997	4012451	56742062	22322369	—

**Notes to Financial Statements** for the year ended 31st March, 2016

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
<b>8 LONG TERM LOANS &amp; ADVANCES :</b>		
<b>Unsecured, Considered good</b>		
Security deposits	691897	681073
	<hr/>	<hr/>
<b>9 INVENTORIES :</b>		
Finished Goods (lower of cost or net realisable value)	–	196500
Stores & Spares (lower of cost or net realisable value)	102893	102893
<b>Total</b>	<b>102893</b>	<b>299393</b>
	<hr/>	<hr/>
<b>10 TRADE RECEIVABLES :</b>		
<b>10.1 Outstanding for a period exceeding six months from due date</b>	9782127	9553241
Others	244997	228886
<b>Total</b>	<b>10027124</b>	<b>9782127</b>
	<hr/>	<hr/>
<b>10.2 Secured, considered good</b>	–	–
Unsecured, considered good	10027124	9782127
<b>Total</b>	<b>10027124</b>	<b>9782127</b>
	<hr/>	<hr/>
<b>11 CASH &amp; BANK BALANCES :</b>		
<b>11.1. Cash &amp; Cash Equivalent</b>		
Balances with Banks	2290403	3215197
Cash on Hand	157011	4099744
	<hr/>	<hr/>
	<b>2447414</b>	<b>7314941</b>
<b>11.2. Other Bank Balances</b>		
Term Deposits with Banks		
Maturity within 12 months	–	1561650
<b>Total</b>	<b>2447414</b>	<b>8876591</b>
	<hr/>	<hr/>



## Notes to Financial Statements for the year ended 31st March, 2016

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
<b>12 SHORT TERM LOANS &amp; ADVANCES :</b>		
<b>Unsecured, Considered good</b>		
Advance to Staff & workers	-	8363
Sales Tax Advance	25000	25000
Security Deposit for Rented premises	180000	180000
Advance against purchases	4369406	4369406
Other Receivables	32930370	45338978
Prepaid expenses	689718	678440
TDS Receivable	807788	871246
<b>Total</b>	<b>39002282</b>	<b>51471433</b>

**Notes to Financial Statements** for the year ended 31st March, 2016

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	₹	₹
<b>13 REVENUE FROM OPERATIONS :</b>		
Sale of Products	78600	199900
<b>14 OTHER INCOME :</b>		
Interest Received	3248430	3679318
Rent Received	4863840	5375940
Miscellaneous income	505000	-
Profit on Sale of Fixed Assets	10752	-
<b>Total</b>	<b>8628022</b>	<b>9055258</b>

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	₹	₹	₹	₹
<b>15 CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS AND STOCK IN TRADE :</b>				
<b>OPENING STOCK</b>				
Finished Goods	196500		402304	
Goods in Process	-		-	
	196500		402304	
<b>CLOSING STOCK</b>				
Finished Goods	-		196500	
Goods in Process	-		-	
	-		196500	
<b>Total</b>	<b>196500</b>		<b>205804</b>	

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	₹	₹
<b>16 EMPLOYEES BENEFITS EXPENSE :</b>		
Salary, Wages & Bonus	2138239	2067167
Contribution to Provident Fund & Employees' State Insurance	144618	120805
Gratuity	20000	10000
<b>Total</b>	<b>2302857</b>	<b>2197972</b>



## Notes to Financial Statements for the year ended 31st March, 2016

### 16.1 DISCLOSURES REGARDING EMPLOYEE BENEFITS :

- i) **Defined Contribution Plan:** Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.
- ii) **Defined Benefit Plan:** Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.
- iii) As there is no change in number of employees as well as in their remuneration during the year, third party actuarial valuation has not been done at the year end and estimated provision has been considered.

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	₹	₹
<b>iv) NET EMPLOYEE EXPENSE/(BENEFIT):</b>		
Current service cost	20000	10000
Interest cost on benefit obligation	-	-
Expected return on plan assets	-	-
Net Actuarial (gains)/losses recognised in the year	-	-
<b>Total employer expenses</b>	<b>20000</b>	<b>10000</b>
<b>v) Actual return on plan assets</b>	-	-
<b>vi) Benefit Asset / (Liability):</b>		
Fair Value of Plan Assets	-	-
Defined benefit obligation	266729	266729
<b>Benefit Asset / (Liability)</b>	<b>(266729)</b>	<b>(266729)</b>
<b>vii) Movement in benefit liability:</b>		
Opening defined benefit obligation	266729	256729
Interest cost on benefit obligation	-	-
Current service cost	20000	10000
Actuarial (gains) / losses	-	-
Less: Benefits paid	-	-
<b>Closing benefit obligation</b>	<b>286729</b>	<b>266729</b>
<b>viii) Actuarial assumptions:</b>		
Mortality Table	IALM 2006-2008	IALM 2006-2008
Discount Rate (per annum)	8.25	8.25
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5	5
Withdrawal rates (Varying between per annum depending upon the duration and age of the employees)	1%-8%	1%-8%



## Notes to Financial Statements for the year ended 31st March, 2016

Para 132 of Accounting Standard 15 (revised 2005) does not require any specific disclosures except where expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18. In the opinion of the management the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005).

ix) Amount incurred as expense for defined contribution to Provident Fund is ₹ 144618 (Previous Year ₹ 120805).

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
<b>17. DEPRECIATION</b>		
Depreciation	1507762	6200997
Less : Transfer to Reserve & Surplus (Refer note no.24)	-	4340421
	<b>1507762</b>	<b>1860576</b>
<b>18. OTHER EXPENSES</b>		
Rent	372000	372000
Rates and Taxes	158976	157881
Insurance Charges	19219	29211
Electricity charges	11037	103826
Repairs to Building	264440	153145
Printing and Stationery	50814	61372
Legal and Professional Fees	236920	409462
Directors sitting fees*	15427	7865
Security Service Charges	601477	560900
Annual Listing Fees	224720	112360
Auditors' Remuneration	113298	133708
Value of Assets Discarded	839421	832320
Other General Expenses	535914	986012
	<b>3443663</b>	<b>3920062</b>
* Inclusive of Service tax		
<b>18.1 AUDITORS' REMUNERATION</b>		
As Auditors	85000	85000
For other Services	14000	34000
For Service Tax	14298	14708
	<b>113298</b>	<b>133708</b>
<b>18.2 CONTRIBUTION FOR CSR ACTIVITIES</b>		

The compliance of the requirement of section 135 of the Companies Act, 2013 was not applicable to the Company during the current or previous year.

### 19. EXCEPTIONAL ITEMS

Compensation to employees on full & final settlement ₹ Nil (previous year ₹ 1454232/-)



## Notes to Financial Statements for the year ended 31st March, 2016

### 20. EXTRAORDINARY ITEMS

Extraordinary items are buy back expenses.

### 21. CONTINGENT LIABILITIES AND COMMITMENTS

#### 21.1 Contingent liabilities

a. Disputed Demand NIL (Previous Year NIL)

#### 21.2 Commitments

a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Nil (Previous year Nil)

b. Uncalled liability on shares and other investments which are partly paid ₹ NIL (Previous year ₹ NIL)

c. Other commitments ₹ NIL (Previous year ₹ NIL)

22. The figures for the previous period are re-classified/ re-arranged / re -grouped, wherever necessary so as to be in conformity with the figures of the current period's classification/disclosure.

23. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

24. In accordance with the provisions of the Companies Act 2013, effective from 1st April, 2014, the Company has reassessed the remaining useful lives of its fixed assets prescribed by Schedule II to the Act or actual useful life of assets, whichever is lower. In case of any asset whose life has completed as above, the carrying value, net of residual value of ₹ 4340421, as at April 1, 2014 has been adjusted to the Surplus in the Statement of Profit & Loss and in other cases the carrying value has been depreciated over the remaining of the revised life of the assets and recognized in the Statement of Profit and Loss.

### 25. INFORMATION REGARDING MICRO, SMALL AND MEDIUM ENTERPRISES

Based on the information /documents available with the Company, information as per the requirements of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).	-	-
ii) Interest due on above	-	-
<b>Total of (i) &amp; (ii)</b>	-	-
iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	-	-
iv) Amount paid to the suppliers beyond due date during the year	-	-
v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
vi) Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

**26. SEGMENT REPORTING (AS - 17)**

As there is neither more than one business segment nor more than one geographical segment, segment information as per AS - 17 is not required to be disclosed

27. The Board of Directors of the company vide resolution dated 10th October, 2015 approved buyback of 7,00,000 equity shares of ₹ 10/- each at a price not exceeding ₹ 30/- per share and total cost of buyback is restricted to ₹ 2,10,00,000/-. During the year the company bought back 6,88,216 equity shares at ₹ 2,06,46,480/- inclusive of premium of ₹ 1,37,64,320/-. The premium of ₹ 1,37,64,320/- is adjusted against securities premium account and capital redemption reserve of ₹ 68,82,160/- being the face value of shares bought back, created.

**28. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS MADE BY THE COMPANY :**

- a) Details of Loans : Nil  
b) Details of Investments : Nil  
c) Details of Gaurantee Provided : Nil

**29. RELATED PARTY (Disclosure as per Accounting Standard AS - 18)****A) Related parties with whom transactions have taken place during the year****Key Managerial Personnel/Directors**

- i) Mr. Saurabh Mittal, Non - Executive Chairman  
ii) Mr. Ramesh Kumar Haritwal, Managing Director & CEO  
iii) Mr. Mahesh Kumar Malpani, Independent Director  
iv) Mr. Beni Gopal Saraf, Independent Director  
v) Mr. Pradeep Manharlal Domadia, Independent Director  
vi) Ms. Mathangi Ramanujam, Non-Executive Director

**Enterprise owned/influenced by Key managerial personnel or their relatives**

- i) Greenlam Industries Ltd.

Note : Related Party Relationship is as identified by the Company and relied upon by the Auditors

**B) Transactions during the year :**

Particulars	Key Managerial Personnel/Directors		Enterprise owned/influenced by Key managerial personnel or their relatives	
	2015-16	2014-15	2015-16	2014-15
	₹	₹	₹	₹
<b>Received towards service rendered</b>				
Greenlam Industries Limited	-	-	4725000	4620000
<b>Remuneration paid</b>				
Mr. Ramesh Kumar Haritwal	1706636	1439016	-	-
<b>Meeting Fees</b>				
Mr. Saurabh Mittal	500	500	-	-
Mr. Mahesh Kumar Malpani	3500	2000	-	-
Mr. Beni Gopal Saraf	3500	2000	-	-
Mr. Pradeep Manharlal Domadia	3500	2000	-	-
Ms. Mathangi Ramanujam	2500	500	-	-





## Notes to Financial Statements for the year ended 31st March, 2016

### 30. CURRENT TAX

In view of brought forward losses, provision for income tax is not considered necessary

31. Figures have been rounded off to the nearest rupee.

### 32. EARNINGS PER SHARE

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
a) Calculation of weighted average number of equity shares of ₹ 10 each		
No. of Shares at the beginning of the year	3005000	3005000
No. of share bought back on 05.02.2016	688216	–
Total no. of equity shares outstanding at the end of the year	2316784	3005000
Equity shares outstanding for 365 days	–	3005000
Equity shares outstanding for 311 days	3005000	–
Equity shares outstanding for 55 days	2316784	–
Weighted average number of equity shares outstanding during the year	2901580	3005000
b) Net Profit (after tax, available for equity shareholders) (₹)	(335449)	(2346277)
c) <b>BASIC AND DILUTED EARNINGS PER SHARE (₹)</b> (Face value ₹ 10 per share)	(0.12)	(0.78)

As per our Annexed Report of even date.

For **D. DHANDARIA & COMPANY**

Chartered Accountants  
ICAI Firm Reg. No. **306147E**

**Naveen Kumar Dhandaria**  
Partner  
Membership No. **061127**

Place of Signature : New Delhi  
Dated : 28th May, 2016

**Saurabh Mittal**  
Non-Executive Chairman  
(DIN: 00273917)

**Ramesh Kumar Haritwal**  
Managing Director & CEO  
(DIN : 01486666)



*if undelivered please return to :*  
**HIMALAYA GRANITES LIMITED**  
(CIN : L13206TN1987PLC015161)  
1501-1505 NARAIN MANZIL, 23 BARA KHAMBA ROAD, NEW DELHI - 110001